

## ADMINISTRATIVE SERVICES AGREEMENT

This Administrative Services Agreement ("Agreement") between United HealthCare Services, Inc. ("Our," "Us," or "We" in this Agreement) and City of Denton ("You" or "Your" in this Agreement) is effective January 1, 2018 ("Effective Date"). This Agreement covers the services We are providing to You, either directly or in conjunction with one of Our affiliates, for use with Your self-funded employee benefit plan.

United HealthCare Services, Inc. identifies this arrangement as Contract No.: 715130.

By signing below, each party agrees to the terms of this Agreement.

**United HealthCare Services, Inc.**  
**185 Asylum Street**  
**Hartford, CT 06103-3408**

**City of Denton**  
**601 East Hickory, Suite A**  
**Denton, TX 76205**

By \_\_\_\_\_

Authorized Signature

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Authorized Signature

Print Name \_\_\_\_\_

Print Title \_\_\_\_\_

Date \_\_\_\_\_

ATTEST:  
JENNIFER WALTERS, CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
AARON LEAL, CITY ATTORNEY

BY: \_\_\_\_\_

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## Section 1 - Definitions

When these terms are capitalized in the Agreement they have the meanings set forth below. The words may be singular or plural.

**Agreement Period:** The period of twelve (12) months commencing on the Effective Date and automatically continuing for additional 12-month periods until the Agreement is terminated.

**Bank:** JPMorgan Chase Bank, New York, New York.

**Bank Account:** Benefits Demand Deposit Bank Account maintained for the payment of Plan benefits, expenses, and fees.

**Employee:** A current or former employee of You or an Affiliated Employer.

**ERISA:** Employee Retirement Income Security Act of 1974, as amended from time to time.

**IRC:** The United States Internal Revenue Code, as amended from time to time.

**Managed Care Network:** The group of Network Providers We make available to the Plan who have entered into or are governed by contractual arrangements under which they agree to provide health care services to Participants and accept negotiated fees for these services.

**Network Provider:** The physician, or medical professional or facility which participates in a Managed Care Network. A provider is only a Network Provider if they are participating in a Managed Care Network at the time services are rendered to the Plan Participant.

**Network Pharmacy:** A pharmacy, including a specialty pharmacy and home delivery pharmacy which has entered into or is governed by a contractual arrangement with Us, Our affiliate, Our pharmacy benefit services (PBS) subcontractor, or Our PBS subcontractor's affiliates under which the pharmacy agrees to provide prescription drug services to Participants.

**Overpayments:** Payments that exceed the amount payable under the Plan. This term does not include overpayments caused by untimely or inaccurate eligibility information.

**Participant:** Employee or dependent who is covered by the Plan.

**PHI:** Any information We receive or provide on behalf of the Plan which is considered Protected Health Information as the term is defined in the privacy regulations of the Health Insurance Portability and Accountability Act of 1996.

**Plan:** The plan to which this Agreement applies, but only with respect to those provisions of the plan relating to the Self-funded health benefits We are administering, as described in the Summary Plan Description.

**Plan Administrator:** The current or succeeding person, committee, partnership, or other entity designated the Plan Administrator who is generally responsible for the Plan's operation.

**Proprietary Business Information:** Nonpublic information, trade secrets, and other data including, but not limited to, sales and marketing information, management systems, strategic plans and other information about the disclosing party's business, industry, products and services, plans, specifications, operation methods, pricing, costs, techniques, manuals, know-how and other intellectual property, in written, oral or other tangible form, provided by one party to another or its representative; and all information, documents, technology, products, and services containing or derived from Proprietary Business Information which was or may have been transmitted, given or made available to or viewed by one party or another in the course of the receiving party's relationship. Our Proprietary Business Information shall include, but not be limited to, financial provisions related to prescription drug products covered under the medical benefit, the Prescription Drug List, reimbursement rates, PBS subcontractor and other subcontractor compensation, and all other financial provisions related to the pharmacy benefits contained in this Agreement. While the

Prescription Drug List is considered our Proprietary Business Information, it may be disclosed in the limited circumstances outlined in this Agreement.

**Rebates:** All rebates, discounts or other financial incentives (whether access, base, Prescription Drug List (PDL), incentive, market share, volume, or other), and administrative fees which We receive directly or indirectly from a pharmaceutical manufacturer and which are obtained in connection with prescription drug products dispensed to Participants under the Plan's pharmacy benefit or the medical benefit. Rebates do not include any purchasing discounts obtained by a PBS subcontractor or subcontractor or specialty pharmacy or home delivery pharmacy when purchasing prescription drug products for home delivery pharmacy services or specialty pharmacy services through a PBS subcontractor or direct distribution. Rebates to customers are administered and paid under the medical benefit plan or pharmacy benefit plan as outlined in this Agreement.

**Self-Fund or Self-Funded:** Means that You, on behalf of the Plan, have the sole responsibility to pay, and provide funds, to pay for all Plan benefits. We have no liability or responsibility to provide these funds. This is true even if We or Our affiliates provide stop loss insurance to You.

**Standard of Care:** In providing all services set forth in this Agreement, we shall use the care, skill, prudence and diligence under the circumstances then prevailing that a prudent claims administrator acting in a like capacity and familiar with such matters would use.

**Employee Benefit Booklet:** The document(s) You provide to Plan Participants describing the terms and conditions of coverage offered under the Plan.

**Systems:** Means the systems We own or make available to You to facilitate the transfer of information in connection with this Agreement.

**Tax or Taxes:** A charge imposed, assessed or levied by any federal, state, local or other governmental entity.

**Urgent Care Claims:** A claim for medical services and supplies which meets ERISA's definition of Urgent Care Claim.

## **Section 2 - Employee Benefit Plan: Your Responsibilities**

**Section 2.1 Responsibility for the Plan.** We are not the Plan Administrator of the Plan. Any references in this Agreement to Us "administering the Plan" are descriptive only and do not confer upon Us anything beyond certain agreed upon claim administration duties. Except to the extent this Agreement specifically requires Us to have the fiduciary responsibility for a Plan administrative function, You accept total responsibility for the Plan for purposes of this Agreement including its benefit design and compliance with any laws that apply to You or the Plan, whether or not You or someone You designate is the Plan Administrator.

**Section 2.2 Plan Consistent with the Agreement.** You represent that Plan documents, including the Employee Benefit Booklet as described in Section 4.19, are consistent with this Agreement. Nevertheless, before distributing any communications that change the Plan benefits or provisions to Participants or third parties, You will provide Us with copies of the Employee Benefit Booklet and Employee communications which refer to Us or Our services prior to distributing these materials to Employees or third parties. You will amend them if We reasonably determine that references to Us are not accurate, or any Plan provision is not consistent with this Agreement or the services that We are providing.

**Section 2.3 Plan Changes.** You must provide Us with notice of any changes to the Plan or Employee Benefit Booklet within a reasonable period of time prior to the effective date of the change to allow Us to determine if such change will alter the services We provide under this Agreement. Any change in the services to be provided by Us under this Agreement which would be caused by any such Plan changes must be mutually agreed to in writing prior to implementation of such change. We will notify You if (i) the change increases Our cost of providing services under this Agreement or (ii) We are reasonably unable to implement or administer the change. If the parties cannot agree to a new fee within (30) thirty days of the notice of the new fee or if We notify You that We are unable to reasonably implement or administer the change, We shall have no obligation to implement or administer the change, and You may terminate this Agreement upon (60) sixty days written notice.

**Section 2.4 Affiliated Employers.** You represent that together You and any of Your affiliates covered under the Plan make up a single "controlled group" as defined by the IRC. You agree to provide Us with a list of Your affiliates covered under the Plan upon request.

## **Section 3 - Your Other Responsibilities**

**Section 3.1 Eligibility Information.** You will tell Us which of Your Employees, their dependents and/or other persons are Participants. This information must be accurate and provided to Us in a timely manner and in an agreed upon format. You will notify Us of any change to this information as soon as reasonably possible.

We will be entitled to rely on the most current information in Our possession regarding eligibility of Participants in paying Plan benefits and providing other services under this Agreement. We will not be required to make retroactive eligibility changes going back more than 120 days that require Us to process or reprocess claims, but if We agree to do so, additional fees may apply. Any charges would be disclosed to You and mutually agreeable to both parties prior to being incurred.

**Section 3.2 Notices to Participants.** You will give Participants the information and documents they need to obtain benefits under the Plan within a reasonable period of time before coverage begins. In the event this Agreement is discontinued, You will notify all Participants that the services We are providing under this Agreement are discontinued.

**Section 3.3 Escheat.** You are solely responsible for complying with all applicable abandoned property or escheat laws, making any required payments, and filing any required reports.

**Section 3.4 Claims by Other Parties.** In the event a third party pursues a claim against Us as the claims administrator (e.g. a claim raised by the federal government based on the federal Medicare Secondary Payor laws), and to the extent allowed by Texas law, You will indemnify and hold Us harmless with respect to

such third party claim, including all costs in defending against any allegation or handling such claim, except as otherwise indicated in Section 12.2. This provision shall survive the termination of this Agreement.

## **Section 4 - Services Provisions**

**Section 4.1 Claims Processing.** Claims for Plan benefits must be submitted in a form that is satisfactory to Us in order for Us to determine whether a benefit is payable under the Plan's provisions.

In applying the Plan's provisions, We will use claim procedures and standards that We develop for benefit claim determination. You delegate to Us the discretion and authority to use such procedures and standards.

The rate of accuracy of benefit payments shall be consistent with the accuracy rate that a reasonably prudent claims administrator would be expected to achieve under similar circumstances.

**Section 4.2 Benefit Determination and Appeals.** You appoint Us a named fiduciary under the Plan with respect to (i) performing initial benefit determinations and payment, (ii) performing the fair and impartial review of first level appeals, and (iii) performing the fair and impartial review of second level appeals. As such, You delegate to Us the discretionary authority to (i) construe and interpret the terms of the Plan, (ii) to determine the validity of charges submitted to Us under the Plan, and (iii) make final, binding determinations concerning the availability of Plan benefits.

If it is determined that a benefit is payable, We will issue a check for, or otherwise credit the benefit payment to the appropriate payee.

If We deny a Plan benefit claim, the claimant shall have the appeal rights set forth in the Employee Benefit Booklet, and/or which are required under applicable law. If We determine that all or a part of the benefit is not payable under the Plan, We will notify the claimant of the adverse benefit determination and of the claimant's right to appeal the adverse benefit determination. This notification will be designed to comply with applicable requirements for adverse benefit determination notices.

If, after the exhaustion of the two levels of appeal with Us, We determine that the Plan benefit is still not available, We will notify the claimant that the adverse benefit determination has been upheld. This notice will be designed to comply with the applicable requirements for adverse benefit determination notices. This determination will be final and binding on the claimant, and all other interested parties.

### **Appeals of Urgent Care Claims**

Notwithstanding the foregoing, with respect to Urgent Care Claims, We will conduct one review of a denied Urgent Care Claim and issue a final determination as soon as possible but not later than 72 hours from receipt of the request to appeal.

**Section 4.3 Managed Care Network Services.** We will make a Managed Care Network available to Participants. The network will be located in mutually agreeable geographical sites with Network Providers who render health care and/or mental health and substance abuse care. We will maintain directories of Network Providers, and will periodically update such directories on Our telephonic and online systems.

The make-up of the Managed Care Network can change at any time. Notice will be given in advance or as soon as reasonably possible.

We will maintain a grievance process so that Participants may obtain assistance with, and express their opinions about, their use of the Managed Care Network.

We do not employ Network Providers and they are not Our agents or partners. Network Providers participate in Managed Care Networks only as independent contractors. Network Providers and the Participants are solely responsible for any health care services rendered to Participants. We are not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services, including Network Pharmacies, or the payment for services rendered by the provider or facility.

### **Value Based Contracting Program.**

United's contracts with some Network Providers may include withholds, incentives, and/or additional payments that may be earned, conditioned on meeting standards relating to utilization, quality of care,

efficiency measures, compliance with United's other policies or initiatives, or other clinical integration or practice transformation standards. Customer shall fund these payments due the Network Providers as soon as United makes the determination the Network Provider is entitled to receive the payment under the Network Provider's contract, either upfront or after the standard has been met. For upfront funding, if United makes the determination that the Network Provider failed to meet a standard, United will return to Customer the applicable amount. United shall provide Customer reports describing the amount of payments made on behalf of Customer's Plan.

Only the initial claims based reimbursement to Network Providers will be subject to the Participant's copayment, coinsurance or deductible requirements. Customer will pay the Network Provider the full amount earned or attributable to its Participants, without a reduction for copayments or deductibles and agree that there will be no impact from these payments on the calculation of the Participant's satisfaction of their annual deductible amount.

**Section 4.4 Health Care Medical Management Services.** We will provide Our Care Coordination<sup>SM</sup> services in accordance with the provisions contained in this section. The Care Coordination<sup>SM</sup> program focuses on offering education, accelerating access to care and providing surveillance and monitoring of chronic conditions.

Our Care Coordination<sup>SM</sup> services include the review of Participants' diagnosis and proposed health care treatments with respect to whether or not the service is appropriate to treat the condition. The services are designed to facilitate Participant education, identify and prevent delays in treatments, and provide intervention with respect to Participants' health care needs that are highly likely to drive utilization and medical expenses of the Plan.

We will review health care services and supplies to determine whether they are covered services under the Plan. If We determine that services or supplies are not covered under the Plan, then We will provide the appeal services outlined in Section 4.2 of the Agreement.

**Section 4.5 Health Care Case Management Services.** We may provide, when appropriate for the individual Participant, certain case management services. These services are designed to provide a proactive, systematic process of health care coordination, including the evaluation of inpatient, outpatient and ancillary services, Participant education, the review of the short term outpatient care needs and where appropriate, coordination and facilitation of discharge planning needs. The above services address the unmet health care needs of Participants who are not eligible for a disease management program under the Plan but are at significant risk for declining health status and high medical expenses.

We also provide an Alternative Care Proposal program (ACP) which offers benefit coverage for certain health care services. We have designed this program for the diagnosis and/or treatment of a particular Participant's illness or injury. It provides appropriate and cost effective health care services and supplies alternatives that would otherwise not be covered by the Plan. The Plan will pay for and cover as Plan benefits the health care services and supplies contained in the ACP program. You consent to Our use and administration of the ACP program and delegate to Us the discretion and authority to develop and revise ACPs.

We will work with Participants who satisfy the criteria for participation in case management services to develop a program of benefit coverage with appropriate and cost-effective health care services and supplies for the diagnosis and/or treatment of the Participant's condition. If the Participant and health care provider are not willing to participate in the process, We will not provide these services.

#### **Section 4.6 Transplant Benefit Management Services.**

Your Plan has agreed to adopt Transplant Benefit Management Services, as described below.

- a. **U.R.N. Transplant Network Access.** We agree to provide You access to a network of credentialed transplant programs. Transplant services rendered by those facilities, and the discounted rates for those services, are available to You based upon the contractual relationship between Our affiliate, United Resource Networks (U.R.N.) and the facilities contained within the U.R.N. Transplant

Network. Access to these relationships is made available to all Participants who need transplant-related services.

U.R.N. determines what transplant programs are qualified for participation in the U.R.N. Transplant Network and will provide You with a list of those programs. The list of participating programs changes from time to time and You and the Participants may view an updated list on the U.R.N. client website or request that a current list be provided by U.R.N. You agree to amend the Plan consistent with the changes made to the list of participating programs within a reasonable period of time after notice is given.

The following services and supplies offered by a participating transplant program are typically included in the U.R.N. Transplant Network contractual relationship: evaluation of the Participant for transplant; donor searches; organ acquisition and procurement; hospital and physician fees; transplant procedures; and follow-up care for a period up to one year after the transplant.

You agree that the Plan will pay for and cover as Plan benefits the services and supplies rendered to Participants in a participating program in accordance with this section. You delegate to Us the discretion and authority to approve for payment under the Plan those services and supplies rendered to Participants for transplant services rendered at participating programs.

Transplant services rendered at programs that do not participate in the U.R.N. Transplant Network are not eligible for coverage under the Plan.

U.R.N. is not responsible for the medical outcomes of any provider or facility rendering services, or the payment for services rendered by the provider or facility.

**Section 4.7 Cancer Resource Services.** We agree to provide eligible Plan Participants access to a network of providers for Oncology Services. The term “Oncology Services” as used in this section includes health care services and supplies rendered for the treatment of a condition that has a primary or suspected diagnosis relating to oncology. Oncology Services rendered by these providers, and the discounted rates for these services, are available to You based on the contractual relationship between Our affiliate, United Resource Networks (U.R.N.), and these providers.

You agree that the Plan will pay for and cover as Plan benefits Oncology Services, which includes supplies, rendered to Participants in accordance with this section. You delegate to Us the discretion and authority to reprice claims for Oncology Services and approve for Plan payment services and supplies rendered to Plan Participants under this Section..

**Section 4.8 Neonatal Resource Services.** We, through Our affiliate, United Resource Networks (U.R.N.) will provide Neonatal Resource Services (“NRS”) to eligible Participants. NRS may include access to registered nurses with training and experience in neonatal care for evaluation and coordination of neonatal care plans and NICU facilities, discharge planning, post-discharge support, resources for parents and families of neonates, and integration with other applicable care management programs We provide to You as set forth in this Agreement.

**Section 4.9 Kidney Resource Services.** We, through Our affiliate, United Resource Networks (U.R.N.) will provide Kidney Resource Services (“KRS”) to eligible Participants. KRS may include access to specialized consulting services to eligible Participants with end-stage renal disease or chronic kidney disease, as well as access to a network of dialysis centers.

**Section 4.10 Claim Recovery Services.** We will provide recovery services for Overpayments. We will reimburse you for, and you will not be responsible for recovery costs associated with any Overpayments made by us due to our failure to act in accordance with the Standard of Care as determined by a court or other tribunal having jurisdiction of the matter.

**Section 4.11 Third Party Liability Recovery.** We will provide services to recover Plan benefits that were paid and are recoverable by the Plan because payment was or should have been made by a third party for the same medical expense (other than in connection with coordination of benefits, Medicare, or other



Overpayments). This is referred to as “Third Party Liability Recovery” (or “subrogation”). You will not engage any entity except Us to provide the services described herein without Our prior approval.

**Section 4.12 General Provisions Applicable to Sections 4.10 and 4.11.** You will be charged fees when any of the services described in Sections 4.10 and 4.11 are provided by Us through a subcontractor or affiliate, as set forth in Exhibit A. The fees are deducted from the actual recoveries. You will be credited with the net amount of the recovery. We will provide You with a written notice of the basis of the fees for which You are charged and, advance notice of any material changes in such fees or Our recovery services.

You delegate to Us the discretion and authority to develop and use standards and procedures for any recovery under Sections 4.10 and 4.11, including but not limited to, whether or not to seek recovery, what steps to take if We decide to seek recovery, and the circumstances under which a claim may be compromised or settled for less than the full amount of the claim. You acknowledge that use of Our standards and procedures may not result in full or partial recovery for any particular case. We will not pursue any recovery if it is not permitted by any applicable law, or if recovery would be impractical. In some instances, We may be able to obtain overpayment recoveries by applying (or offsetting) the overpayment against future payments to the provider made by Us. In effectuating overpayment recoveries through offset, We will follow Our established overpayment recovery rules which include, among other things, the prioritization of overpayment credits based on the age of the overpayment in Our system and funding type. In Our application of overpayment recovery through offset, timing differences may arise in the processing of claims payments, disbursement of provider checks, and the recovery of overpayments. As a result, a plan may in some instances receive the benefit of an overpayment recovery before We actually receive the funds from the provider. Conversely, We may receive the funds before a Plan receives the credit for the overpayment. It is hereby understood that the parties may retain any interest that accrues as a result of these timing differences. Details associated with overpayment recoveries made through offset will be identified in the monthly reconciliation report provided to the designated representative for Your Plan. We may initiate litigation to recover payments, but We have no obligation to do so. If We initiate litigation, You will cooperate with Us in the litigation. If this Agreement terminates, or, if Our recovery services terminate, We can continue to recover any payments We are in the process of recovering. The appropriate fees will continue to be deducted from the actual recovery, when and if a recovery is obtained.

**Section 4.13 Abuse and Fraud Management.** We or Our affiliate will provide services related to the detection, prevention, and recovery of abusive and fraudulent claims.

Our Abuse and Fraud Management processes will be based upon Our proprietary and confidential procedures, modes of analysis and investigations.

We will use these procedures and standards in delivering Abuse and Fraud Management services to You and Our other customers. These procedures and standards include, but are not limited to: whether or not to seek recovery, what steps to take if We decide to seek recovery, and under what circumstances to compromise a claim or settle for less than the full amount.

You delegate to Us the discretion and authority to use such procedures and standards, including the authority to undertake actions, including legal actions, which have the largest impact for the largest number of customers.

You acknowledge that the use of these procedures and standards may not result in full or partial recovery or in full recovery for any particular case. We do not guarantee or warranty any particular level of prevention, detection, or recovery. We agree to perform Abuse and Fraud Management services pursuant to the industry standards for such services.

For each fraud and abuse recovery, a fee will apply as set forth in Exhibit A. This fee includes all work to identify recovery opportunities, research, conduct data analysis, investigate, negotiate settlements without the use of outside counsel, draft legal documents, and We will credit the recovery amount to You. If outside counsel is retained for a group of payers seeking the recovery, a proportionate amount of the outside legal fees, equal to the payer's exposure in the case to the total exposure in the case, will be deducted from the gross recovery amount, after the fee has been deducted. You will be given the option to participate or decline participation in the settlement. If this Agreement terminates, or if Our claim recovery services

terminate, We can elect to continue fraud and abuse recoveries that are in progress, and the fees will continue to apply.

**Section 4.14 Assistance with General Plan Administration.** We will provide administrative services including (i) administration forms and service orientation, (ii) a toll-free customer service telephone line for Participants, (iii) enrollment support, and (iv) identification cards for Participants. Custom services, such as special forms or administrative support that exceeds the level standardly offered to Our self-funded customers will be subject to an additional fee determined by Us. Any additional charges will be revealed and mutually agreed to by both parties prior to an invoice being generated.

We will provide You with Our standard reports for self-funded customers. You may request that We provide additional reports. If We agree to provide them, an additional cost may apply. If reports are provided through Our Systems, We further reserve the right, from time to time, to change the content, format and/or type of Our standard reports

You may request that We provide services in addition to those set forth in this Agreement. If We agree to provide them, those services will be governed by the terms of this Agreement, unless otherwise specified in an amendment to this Agreement. You will pay an additional fee, determined by Us, for these additional services.

**Section 4.15 Employee Benefit Booklet.** We will prepare a customized draft of a Employee Benefit Booklet necessary for each plan ("EBB"). For purposes of this provision, plan means each individual plan design administered by Us. We will provide reasonable number of drafts, in response to Your comments, and a final draft EBB in electronic form. The EBB will be in English. We will print each EBB in Our standard size and with Our standard cover in a quantity equal to 110% of the number of Employees participating in the plan, and ship to a single location. You agree to distribute these EBBs in accordance with applicable laws.

You will also furnish additional EBB information as may be required under applicable laws. You will be responsible for the legal sufficiency of the EBB, including any legally required information.

**Section 4.16 Electronic Standard Transactions.** We will comply with all applicable provisions of the Standards for Electronic Transactions Regulation (the "Standards"). We will also require any of Our contractors, subcontractors, or other agents that assist Us in conducting standard transactions to comply with the Standards in writing. We will not (i) change the definition, data condition, or use of a data element or segment as prohibited in the Standards, (ii) add any data elements or segments to the maximum defined data set as prohibited in the Standards, (iii) use any code or data elements that are either marked "not used" in the Standards' implementation specification or are not in the Standards' implementation specification(s), or (iv) change the meaning or intent of the Standards' implementation specifications(s).

**Section 4.17 Health Insurance Portability and Accountability Act of 1996.** We will produce Certification of Coverage forms for Participants who have lost or lose coverage under the Plan on or after the Effective Date of this Agreement, as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This certification will be based on eligibility and termination data that You will provide Us in accordance with Our data specifications. The Certification of Coverage forms will only include periods of coverage for which We have administered the Plan.

The Certification of Coverage forms will be based only on data that is currently indicated and available to Us in Our eligibility systems as of the date that the form is generated. We will give You reasonable advance notice of all additional data requirements for form completion and You agree to provide that information on a timely basis.

We reserve the right to discontinue providing this service if You do not provide the data We request in a timely manner.

**Section 4.18 Medical Benefit Drug Rebate Payments.** From time to time, We or an intermediary may negotiate with drug manufacturers regarding the payment of medical benefit Rebates on applicable prescription drug products dispensed to Participants under the Plan's medical benefit under this Agreement. You will receive 80% of the medical benefit Rebates We receive in connection with prescription drug

products dispensed to Participants under the Plan's medical benefit under this Agreement. We will retain the balance of such medical benefit Rebates as part of Our compensation under this Agreement.

If We are not able to make payment to You within thirty (30) calendar days of Our receipt of medical benefit Rebates, We will pay interest on medical benefit Rebates We receive from the 31<sup>st</sup> calendar day forward after Our receipt of the medical benefit Rebates, until We pay You Your medical benefit Rebates. We will pay medical benefit Rebates to You no less than annually. Interest will be paid at the one month London Interbank Offered Rate (LIBOR) in effect as of the date We pay You. We will retain any interest earned up to the thirty (30) calendar day point, and upon Your request, We will provide information on the amount of such interest.

You will only receive Your medical benefit Rebates to the extent that medical benefit Rebates are actually received by Us. Thus, for example, if a government action or a major change in pharmaceutical industry practices prevents Us from receiving medical benefit Rebates, the amount You receive may be reduced or eliminated.

You agree that during the term of this Agreement, neither You nor the Plan will negotiate or arrange or contract in any way for medical benefit Rebates on or the purchase of prescription drug products from any manufacturer under the Plan's medical benefit under this Agreement. In the event You or the Plan negotiates or arranges or contracts with a drug manufacturer for medical benefit Rebates on or the purchase of prescription drug products under the Plan's medical benefit, under this Agreement We may, without limiting Our right to other remedies, immediately terminate Your and Plan's entitlement to medical benefit Rebates (including forfeiture of any medical benefit Rebates earned but not paid) under this Agreement.

In addition, to reasonably cooperate with Us in order to obtain medical benefit Rebates, You agree to reasonable requests related to obtaining medical benefit Rebates that We may communicate to You from time to time.

**Intermediary Compensation:** If an intermediary is involved in negotiating with drug manufacturers regarding the payment of medical benefit Rebates on applicable prescription drug products dispensed to Participants under the Plan's medical benefit under this Agreement, it may retain a portion of the gross amounts received from drug manufacturers in connection with such products. We will provide information on the amount retained by the intermediary as compensation for its services, in advance of Your execution of this Agreement, which information is Our Proprietary Business Information under the terms of this Agreement. In addition, We will provide You with thirty (30) days advance notice of any material increase in intermediary compensation or material changes in the method for intermediary compensation. If at any time You do not find the intermediary compensation acceptable, You may terminate the medical benefit Rebates services under this Agreement after thirty (30) days advance written notice to Us in accordance with the notice provisions of Section 15.7 of this Agreement.

**Section 4.19 Facility Reasonable Charge Determination and Negotiation Reductions.** We will evaluate certain facility-billed charges which may exceed reasonable charges under the terms of the Plan. We will, negotiate with the facility as needed for reduction of billed charges in accordance with appropriate guidelines. The additional charge for this service is described in Exhibit A.

We can terminate the Facility Reasonable Charge program in whole or in part at any time for any reason.

In the event of termination, We can elect to continue any reviews and negotiations that are in progress at the time of termination. The additional service charge described in Exhibit A will continue to apply.

**Section 4.20 Shared Savings Program.** For the service fee specified in Exhibit A, We may make Our Shared Savings Program available to some or all of Your Plan Participants. This program provides access to discounted charges made available to Us from health care providers who contract with, or will negotiate with, a third party to provide such discounted charges.

The amount payable under discounted portions of the Plan will be based on the Shared Savings Plan's discounted charges. If a Participant is enrolled in a network plan and receives services from a Network Provider benefits payable for that provider's services will be based on the applicable rates for fees included in Our agreement with that provider. These benefits will not be included in the calculation of the "Savings

Obtained” under the Shared Savings Programs, and the service fee for the Shared Savings Program will not apply to these benefits.

You understand that the services under this program provide access to provider discounts only. These providers are not part of Our Managed Care Network. Therefore, Our services under this program do not include credentialing of providers or other Managed Care Network services. We are not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services under the Shared Savings Program.

We can terminate all or part of the Shared Savings Program at any time for any reason. You can terminate the program at any time for any reason by giving Us written notice. We will implement the termination within a reasonable period of time after receiving the notice.

**Section 4.21 Optum Management Programs.** We will provide Participants with access to various publications that are amended from time to time, and Care24 <sup>SM</sup>. Care24 <sup>SM</sup> works in conjunction with NurseLine and Employee Assistance Program (EAP) to provide a 24-hour service staffed by registered nurses providing the following services via telephone or an audio health information library: general health information and identification of specific health related concerns, as well as provision of educational information regarding those concerns.

**Section 4.22 Stop Loss Program.** You understand that it is Your responsibility to detect claims that may be covered by a third party stop loss carrier policy purchased by You. We will produce and send a report of the total medical dollars paid for any claimant exceeding 50 percent of the Individual Stop Loss (ISL) threshold. The report will include policy year to date claims paid through the end of the previous month.

These categories are subject to change upon notice to You and include (i) Our standard third party interface detailed claim report for each claimant identified, (ii) Our completed claim questionnaire, which includes coordination of benefits and authorization information, preexisting condition and subrogation information, (iii) list of services subject to United Resource Network negotiations or discounts, if applicable, (iv) Medicare status of claim (e.g., primary or secondary), (v) a listing of any alternative care proposals, as that term is further described in Section 4.5, and (vi) copies of submitted charges.

You and Your third party stop loss carrier must execute Our standard nondisclosure and indemnification agreement prior to Our providing any of the above information.

**Section 4.23 Access to Participant EOB Information.** We will make access to participant EOB information available to You through Our employer portal, in accordance with this Section. To the extent You choose to access such information, You delegate to Us the discretion and authority to develop and use standards and procedures for providing You with such access under this Amendment.

Prior to accessing participant EOB information, You agree to obtain and maintain any individual authorizations that may be required in accordance with applicable law, including, but not limited to, HIPAA, federal laws governing the confidentiality of substance abuse and mental health records, and state laws governing the confidentiality of categories of sensitive information, such as HIV, sexually transmitted disease and genetic testing. In addition, You agree to obtain and maintain any required individual authorizations for both subscribers and their dependents, as required by applicable law. You acknowledge that in order for the Plan or its designee to lawfully disclose PHI to You, acting as Plan Sponsor, the Plan must fully comply with the HIPAA privacy regulations. You further acknowledge that appropriate steps have been taken for the Plan to be in full compliance with the HIPAA privacy regulations, including but not limited to, the maintenance of a Privacy Notice to be distributed upon request by an Individual.

You represent, warrant and certify that the Plan has amended both its plan documents and its privacy notice, in accordance with HIPAA, to include specific provisions referencing Your available access to participant EOB information. You also represent, warrant and certify that You have not delegated the function of enrollee advocacy to Us.

Upon Our request, You agree to deliver to Us copies of Your amended plan documents, privacy notice, and any individual authorizations that You have obtained and maintained, as well as any other relevant documentation, to evidence Your compliance with applicable law and this Agreement.

You agree to hereby release Us from any contractual liability, arising directly or indirectly, out of the Business Associate Agreement between the Parties and arising directly or indirectly from Customer's access to participant EOB information on the employer portal. Further, to the extent allowed by Texas law, You will also agree to defend, indemnify and hold Us harmless against any and all claims, liabilities, judgments or damages asserted against, imposed upon or incurred by Us that arise out of any violation of this Section.

**Section 4.24 Employee Health Management Services.** We will provide employee health management services independently or through a third party contracted entity. These services are designed to (i) provide a mechanism for Participants to assess their own health and wellness and risk areas, and (ii) provide tools, information, and health coaching programs to manage potential risk areas. Employee Health Management services may include Online Health Assessment, Communications CONTENT, Program Brochure, Telephonic-Based Interventions, Online Interventions, Program Management/Reporting, Program Implementation, Incentive Management, or Claims Analysis for ROI.

We can terminate Our provision employee health management services in whole or in part at any time for any reason if such termination applies to all of Our similarly situated customers.

You may elect ad hoc services during the term of Your Employee Health Management program participation. Additional fees may apply for such ad hoc services.

**Section 4.25 Advanced Analytics and Recovery Services.** Using a focused recovery team, United or its affiliate will use large scale analytics and information not available during adjudication to identify claims warranting further research. United's research includes, but is not limited to, reviewing providers' claims histories and the history of all similar claims billed across our book of business, and allows United to identify trends resulting in overpayments. United will manually research identified claims and make a determination as to whether the claim and payment were appropriate or whether there is a recovery opportunity. Customer will be charged fees for this service as set forth in Exhibit A. The fees are deducted from the actual recoveries. Customer will be credited with the net amount of the recovery.

**Section 4.26 Pharmacy Benefit Services.** We will make Network Pharmacies available to Your Participants. We will determine which pharmacies are Network Pharmacies. Network Pharmacies can change at any time. We will make a reasonable effort to provide You with advance notice if any material changes occur to the Network Pharmacy. We will provide You information on the reimbursement rate to Our affiliate Network Pharmacy for specialty pharmacy.

**Home Delivery Pharmacy Services.** We will provide home delivery pharmacy services for Your Participants. Your pricing terms for home delivery pharmacy services are based on package sizes of 100 units, 16 ounce quantities or the next closest quantity available and at least a 46 day supply. Prescriptions filled through the home delivery pharmacy that are less than a 46 day supply will be processed at retail pricing and will be counted with retail utilization. We will retain the difference between the package size of 100 units or 16 ounces and the actual manufacturer's package size which the home delivery pharmacy's price is based on.

**Prescription Drug List (PDL)** You have adopted one or more of Our PDLs for use with Your benefit plans. You agree not to copy, distribute, sell, or otherwise provide the PDL to another party without Our prior written approval, except to Participants as described below. On termination of this Agreement or if You terminate the Pharmacy Benefit Services portion of this Agreement,, You will stop all use of the PDL.

While You are the ultimate decision-maker on selecting the design of your PDL(s), You have requested that We supply, and We have assisted You with, certain PDL development and management functions including but not limited to drug tiering decisions. Our intent is to provide You with the same PDL and management strategies that We develop and employ in the management of our fully insured business.

We make the final classification of an FDA-approved prescription drug product to a certain tier of the PDL by considering a number of factors including, but not limited to, clinical and economic factors. Clinical factors may include, but are not limited to, evaluations of the place in therapy, relative safety or relative efficacy of the prescription drug product, as well as whether supply limits or notification requirements should apply. Economic factors may include, but are not limited to, the prescription drug product's acquisition cost including, but not limited to, available Rebates, and assessments on the cost effectiveness of the prescription drug product.

We may periodically down-tier the placement of a prescription drug product among the tiers. These changes may occur without prior notice. Once a year, We may also up-tier the placement of a prescription drug product among the tiers and/or recommend specific prescription drug product exclusions from coverage. We will provide notice to You of material changes to the PDL, our drug tier classification procedures, coverage exclusions, and clinical programs. If You choose not to implement a particular coverage exclusion or clinical program change, You need to inform Us in writing sixty (60) days prior to the effective date of the exclusion or change. Current drug placement and related information may be obtained from the member website, or by calling customer service.

**Claims Processing.** We will process the claims received from a Network Pharmacy in accordance with the Summary Plan Description, as well as the pricing and other terms of the Network Pharmacy's participation agreement. On home delivery and retail pharmacy services, We will retain the difference between what we reimburse the Network Pharmacy and Your payment for a prescription drug product or service.

#### **Section 4.27 Pharmacy Benefit Rebates.**

**Allocation and Payment of Rebates.** We, a PBS Subcontractor, or a subcontractor will negotiate with drug manufacturers for the payment of Rebates to Us. The amount of Rebates that is available depends on many factors including whether You have an incentive benefit design, arrangements with drug manufacturers, the volume of prescription drug claims and the structure of the PDL. We will pay You an amount equal to 80% of the Rebates We receive (and We may pay interest on this amount as described in this Section). We will retain the balance of such Rebates (and any related interest) as part of Our compensation. You agree that all payments associated with Rebates and any related interest are not due and owing to You until We actually pay them to You pursuant to this Agreement.

You will only receive Your Rebates to the extent that Rebates are actually received by Us. For example, if a government action or a major change in pharmaceutical industry practices eliminates or materially reduces manufacturer Rebate programs, Your payment amount may be reduced or eliminated. In such event, We shall promptly notify You and revise or eliminate such payment effective with the date of the reduction or elimination in Rebate payments. In addition, reduction or elimination of Rebates in this event shall constitute a change in the Agreement as described in the Service Fees Section such that We have the right to increase the service fees for the Pharmacy Benefits Management services or increase the percentage of Rebate dollars retained by Us.

#### **Pharmacy Benefit Rebates Received From PBS Subcontractor or Other Subcontractor**

When Our PBS subcontractor or another subcontractor on Our behalf contracts with drug manufacturers for the payment of Rebates to Us, We may receive estimated payments before Rebates are actually earned. The Rebate You receive from Us will include interest from the time We receive the estimated payments through the date We receive the report from Our PBS subcontractor or another subcontractor. The interest We will pay You will be calculated at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

We will pay Rebates to You, generally, within thirty (30) calendar days after We receive the actual Rebates earned report. If We are not able to make payment to You within thirty (30) calendar days, We will pay You additional interest, calculated at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month, on such Rebates from the date of receipt of the Rebates earned report through the date that We make the Rebate payment to You less approximately thirty (30) days for processing. We will retain interest earned during the processing timeframe.

#### **Pharmacy Benefit Rebates Received Directly By Us From a Drug Manufacturer**

When We negotiate directly with drug manufacturers for the payment of Rebates to Us, We will pay You the agreed upon Rebates within thirty (30) calendar days of Our receipt of such Rebates from the drug manufacturer. If We are not able to make payment to You within thirty (30) calendar days, We will pay You interest on such Rebates from the date of receipt until We make payment to You, less approximately thirty (30) days for processing. We will retain interest earned during this processing timeframe. We will pay Rebates to You in the agreed upon amount no less than annually. Interest will be paid at the one month London Interbank Offered Rate (LIBOR) in effect on the first business day of each applicable month.

**PBS Subcontractor or Other Subcontractor Payments to Pharmacies.** In connection with prescription drug claims, We forward funds from Your claims account to Our PBS subcontractor's or another subcontractor's account prior to the time that pharmacies and other payees present checks for payment. Our PBS subcontractor or another subcontractor issues checks to pharmacies and other payees within, on average, 3 days of receiving payment from Your account. These checks generally are presented for payment within, on average, 5 ½ days later. Our PBS subcontractor or another subcontractor may retain interest earned on these amounts during this time. Interest is expected to be paid at overnight deposit rates by the PBS subcontractor's or other subcontractor's banking institution.

**Your Compliance.** You agree that during the term of this Agreement, neither You nor the Plan will negotiate or arrange or contract in any way for Rebates on or the purchase of prescription drug products from any manufacturer with respect to the pharmacy benefits. If you or the Plan does, We may, without limiting Our right to other remedies, immediately terminate Your and Plan's entitlement to Rebates (including forfeiture of any Rebates earned but not paid) and/or terminate the pharmacy benefit services. Termination of pharmacy benefit services shall constitute a change in the Agreement as described in the Service Fees Section such that We have the right to increase the services fees for medical management services under this Agreement.

In addition, You agree to reasonably cooperate with Us in order to obtain Rebates. You will encourage Your Participants to use a Network Pharmacy. You will also encourage Your Participants to electronically access the PDL on Our website, and encourage Participants to share the PDL with their physicians or refer their physicians to the PDL on Our website.

**Section 4.28 Bariatric Resource Services.** For the service fee specified in Exhibit A, We, through Our affiliate, United Resource Networks (U.R.N.) will provide Bariatric Resource Services ("BRS") to eligible Participants. BRS may include pre-surgical patient consultation and behavioral health evaluation, coordinated post-surgery follow-up and behavioral health support, long-term patient telephonic monitoring for behavioral health issues, as well as access to a network of providers for the provision of bariatric services. U.R.N. will use outreach strategies designed to maximize eligible Participants' program utilization. Outreach strategies that U.R.N. may employ currently include, but are not limited to, communications to all eligible Participants regarding availability of Bariatric Resource Service facilities, instructions for requesting educational materials, and/or direct mail to Participants diagnosed with bariatric conditions.

U.R.N. is not responsible for the medical outcomes or the quality or competence of any provider or facility rendering services, or the payment for services rendered by the provider or facility.

## **Section 5 - Service Fees**

**Section 5.1 Service Fees.** You will pay Us fees for Our services. The service fees listed in Exhibit A of this Agreement are effective for the Agreement Period shown in the Exhibit. In addition to the service fees specified in Exhibit A, You must also pay Us any additional fee that is authorized by a provision elsewhere in this Agreement or is otherwise agreed to by the parties.

**Section 5.2 Changes in Service Fees.** We can change the service fees on each Agreement Period anniversary. We will provide You with thirty (30) days prior written notice of the revised service fees for subsequent Agreement Periods. Any such service fee change will become effective on the later of the first

day of the new Agreement Period or thirty (30) days after We provide You with written notice of the new fees.

We also can change the services fees (i) any time there are changes made to this Agreement or the Plan, which affect the fees, (ii) when there are changes in laws or regulations which affect the services We are providing, or will be required to provide, under this Agreement, (iii) if the number of Employees covered by the Plan or any Plan option changes by ten percent (10%) or more, or (iv) if the average contract size, defined as the total number of enrolled Participants divided by the total number of enrolled Employees, varies by 10% or more from the assumed average contract size of 2.46. Any new service fee required by such change will be effective as of the date the changes occur, even if that date is retroactive.

If You do not agree to any change in service fees, You may terminate this Agreement upon thirty (30) days written notice after You receive written notice of the new fees. You must still pay any amounts due for the periods during which the Agreement is in effect.

**Section 5.3 Due Dates, Payments, and Penalties.** In some cases, We will bill You for the amounts that You owe or We estimate You owe Us. In these cases, the amounts owed are due and payable on the Due Date shown on the bill. In other cases, We will provide You with advance statements in advance that You complete and either send to Us or verify through electronic acknowledgement. For advance statements, the Due Date for payment is the first day of the next calendar month.

Late Payment: If amounts owed are not paid within fifteen (15) days after their Due Date (“Grace Period”), You will pay Us interest on these amounts at the interest rate that We charge to Our self-funded customers. You agree to reimburse Us for any costs that We incur to collect these amounts. Our decision to provide You with a Grace Period will be based on Our assessment of Your financial condition, as of the Effective Date, and Your compliance with material financial obligations. If We determine, based on reasonable information and belief, that Your financial condition has deteriorated, or You continue to fail to comply with the material financial obligations specified in this Agreement, We may remove the Grace Period upon notice to You and reserve the right to either charge interest on payments not received after the Due Date or terminate the Agreement if payments are not received by the Due Date.

**Section 5.4 Reconciliation.** For each Agreement Period, We will reconcile the total amounts You paid with the total amounts You owed. If the reconciliation indicates that We owe You money, Your next payment will be credited. If the reconciliation indicates that You owe Us money, We will invoice You for the amount due. The Due Date for these amounts is the first day of the next calendar month. You will pay Us within thirty (30) days after receiving notice of the amounts that You owe Us. For payments made after this thirty (30) day period, You will pay Us interest on these amounts at the interest rate that We charge to Our other self-funded customers.

If the Agreement is terminated, We will pay You the amount owed within thirty (30) days after We perform a final reconciliation. If the final reconciliation indicates that You owe Us money, You will pay Us within thirty (30) days after receiving notice of the amount owed.

For payments You make after thirty (30) days of receiving notice of the amounts that You owe Us, We will charge interest at the interest rate that We charge Our other self-funded customers.

**Section 5.5 Initial Implementation Costs.** In implementing Our Plan administration services, We incur costs which reflect Our investment in establishing and maintaining a long-term business relationship with You. The service fees attributable to the initial Agreement Period are set forth in Exhibit A and incorporate these implementation costs.

## **Section 6 - Providing Funds for Benefits**

**Section 6.1 Providing Funds for Benefits.** The Plan is Self-Funded. You are solely responsible for providing funds for payment for all Plan benefits payable to Participants, Network Providers, or non-Network Providers.

**Section 6.2 Bank Account.** We under Your employer identification number, will open and maintain a Bank Account at the Bank to provide Us the means to access Your funds for the sole purpose of payment of



Plan benefits, expenses and fees. The Bank Account will be a part of the network of accounts that have been established at the Bank for Our self-funded customers. The funds in the Bank Account are Yours.

**Section 6.3 Balance In Account.** You will maintain a minimum balance in the Bank Account in an amount equal to not less than six (6) days of expected Bank Account activity. We will establish this amount based on expected Plan benefit payments, with appropriate adjustments for anticipated non-daily activity (e.g., prescription drug benefits and administrative fee payments) as determined by Us. We will determine if circumstances warrant increasing this minimum balance, and will notify You if and when the required balance or the amount identified above changes.

The required minimum balance is based on Your financial condition as assessed by Us. In the event We determine, based on reasonable information and belief, that Your financial condition has deteriorated or You continue to fail to comply with the material financial obligations specified in this Agreement, We may revise the required balance effective five (5) days from the date of notice.

**Section 6.4 Issuing and Providing Funds for Checks and Non-Draft Payments.** The checks We write and issue to pay Plan benefits under this Agreement will be written on one or more common accounts that are a part of the network of accounts maintained at the Bank for Our self-funded customers. When the checks for Plan benefits are presented to the Bank, the Bank will notify Us and We will direct the Bank to accept or reject the checks and direct the Bank to withdraw funds from the Bank Account to fund the checks that are cashed.

The non-draft payments We issue to pay Plan benefits under this Agreement will be paid from one or more common accounts that are a part of the network of accounts maintained at the Bank for Our customers. We will direct the Bank to withdraw funds from the Bank Account to fund the non-draft payments as they are issued.

**Section 6.5 Transfers of Funds.** Funds will also be withdrawn from the Bank Account when a transfer of funds We made to pay Plan benefits is completed, such as when an electronic funds transfer has been made to a health care provider to pay benefits under the Plan.

**Section 6.6 Service Fees and Other Expenses.** Funds will also be withdrawn from the Bank Account on the due date of any service fees which You have authorized to be paid to Us and for the payment of other Plan expenses such as state surcharges or assessments.

**Section 6.7 Calls for Funds.** The withdrawals for Plan benefits and service fees are paid for by the balance You maintain in the Bank Account.

Every five (5) business day(s), You will transfer to the Bank Account the amount of funds which have been withdrawn from the Bank Account over the past five (5) business day(s). You will transfer that amount using a method agreed upon by You, Us and the Bank. This transfer will replenish Your balance in the Bank Account. The number of days between transfers and the method of transfer are based on Your financial condition as of the Effective Date as assessed by Us, as well as Your compliance with material financial obligations. We reserve the right to increase the frequency of such fund transfers and/or change the method of transfer if We determine, based on reasonable information and belief, that Your financial condition has deteriorated, or You continue to fail to comply with the material financial obligations specified in this Agreement.

**Section 6.8 Underfunding.** If You do not provide the amounts sufficient to maintain the required minimum balance in the Bank Account, or to cover Bank Account withdrawals: (1) You must immediately correct the deficiency and provide prompt notice to Us in either event. (2) If We learn of the funding deficiency, We will notify You so You can correct the deficiency. (3) You agree that We may stop issuing checks and non-draft payments and suspend any of Our other services under this Agreement for the period of time You do not provide the required funding. (4) If You do not make the required payment(s) to correct the funding deficiency, We may terminate this Agreement effective as of any date following one business day after We provide notice of the funding deficiency. At Your expense, We may also place stop payments on checks if We determine that You have insufficient funds in Your corporate funding bank account to honor such checks. You will pay interest on the amount of underfunding at the standard rate that We charge

to Our self-funded customers for underfunding of bank accounts. The notice provisions contained in Termination Events, Section 8.1, do not apply to this breach.

At the end of each claims processing time period, We will notify You of the amount needed to pay claims processed and fees that are due. Upon notice to You of the amount due for claims processed and fees that are due, You will fund the designated amount(s) within one business day via Automated Clearing House (ACH) transfer to the designated Bank Account for payment of Plan benefits. You will initiate the fund transfers unless We determine that Your financial condition as of the Effective Date, as assessed by Us, has deteriorated or You fail to comply with the material funding and financial obligations specified in this Agreement. If either condition occurs, You agree to authorize Us to initiate the transfers.

You will authorize Us to initiate Automated Clearing House (ACH) transfers from Your corporate funding bank account to the Bank Account for payment of Plan benefits.

At the end of each claims processing period, We will within one business day, Automated Clearing House (ACH), initiate transfers from Your designated corporate funding bank account to the Bank Account in an amount necessary to pay Plan benefits.

**Section 6.9 Outstanding Checks.** We will send a search letter to the payee on all checks that have not been cashed within six (6) months. We will stop payment on all checks We have issued under this Agreement that have not been cashed within twelve (12) months and provide You with reports You need for the purpose of performing escheat.

**Section 6.10 Termination of Agreement.** When this Agreement terminates, the funding method for Plan benefits will remain in place for a limited period of time. That time period will be dependent upon run-out administration. After this period, that funding method will cease. You will then deposit and maintain in the Bank Account enough funds to cover all checks for Plan benefits that have been issued but not cashed. This balance will remain in the Bank Account for a limited period of time to fund the outstanding checks. This period will be reasonable, as determined by Us, and applied on a consistent basis to Our self-funded customers. We will stop payment, on all checks that remain uncashed at the end of this period and You will request in writing to close the Bank Account and recover any funds remaining in it. We will provide bank statements and Bank Account reconciliation reports, including reports You need for the purposes of escheat.

## **Section 7 - Term Of The Agreement**

**Section 7.1 Services Begin.** We will begin providing You claim processing services under this Agreement on the Effective Date. These services apply only to claims for Plan benefits that are incurred on or after the Effective Date.

This Agreement will apply for an initial Agreement Period commencing on the Effective Date and will automatically continue for additional Agreement Periods, unless and until this Agreement is terminated.

**Section 7.2 Services End.** Our services under this Agreement stop on the date this Agreement terminates, regardless of the date that claims are incurred. However, We may agree to continue providing certain services beyond the termination date, as provided in Section 8.2.

## **Section 8 - Termination Of The Agreement**

**Section 8.1 Termination Events.** This Agreement will terminate under the following circumstances: (i) The Plan terminates, (ii) Both parties agree in writing to terminate the Agreement, (iii) After the initial Agreement Period, We give You at least ninety (90) days prior written notice or You give Us at least thirty (30) days prior written notice, (iv) We give You notice of termination because You did not pay the fees or other amounts You owed Us when due under the terms of this Agreement, (v) You fail to provide the required funds for payment of benefits under the terms of this Agreement, (vi) Either party is in material breach of this Agreement, other than by non-payment or late payment of fees owed by You or the funding of Plan benefits, and does not correct the breach within thirty (30) days after being notified in writing by the other party, (vii) Any state or other jurisdiction prohibits a party from administering the Plan under the terms of this Agreement, or imposes a penalty on the Plan or Us and such penalty is based on the

administrative services specified in this Agreement. In this situation, the party may immediately discontinue the Agreement's application in such state or jurisdiction. Notice must be given to the other party when reasonably practical. The Agreement will continue to apply in all other states or jurisdictions, or (viii) As otherwise specified in this Agreement.

**Section 8.2 Run-Out Administration.** We will provide run-out claim processing services for a period of six (6) months following the Agreement's termination. This provision applies only to claims for health services incurred prior to the termination date. All other terms of this Agreement will apply to these post-termination services. However, We will not provide these services after the Agreement's termination, if the Agreement was terminated because You failed to pay Us fees due, You did not provide the funding required under Section 6.3, or when We terminate for any other material breach. The fee for run-out services, if applicable, will be determined at the time either party provides notice of termination.

**Section 8.3 Funding After Termination.** When this Agreement terminates, the funding method for Plan benefits will remain in place for a limited period as determined by the parties. At the end of this period, We will place stop payments, at Your expense, on all checks that remain uncashed.

## **Section 9 - Records, Information, Audits**

**Section 9.1 Records.** We will keep records relating to the services We provide under this Agreement for as long as We are required to do so by law.

**Section 9.2 Access to Information.** If You need information in Our possession for purposes other than an audit, but in order to administer the Plan, We will provide You access to that information, if it is legally permissible, the information relates to Our services under this Agreement, and You give Us reasonable advance notice and an explanation of the need for such information.

You represent that You have reasonable procedures in place for handling PHI, as required by law. You will only use or disclose PHI to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement.

We will provide information only while this Agreement is in effect and for a period of six (6) months after the Agreement terminates, unless You demonstrate that the information is required by law or for Plan administration purposes.

We also will provide reasonable access to information to an entity providing Plan administrative services to You, such as a consultant or vendor, if You request it. Before We provide PHI to that entity, the parties must sign a mutually agreed-upon confidentiality agreement, and the parties must agree as to what information is minimally necessary to accomplish the Plan administrative service.

**Section 9.3 Audits.** During the term of the Agreement, and at any time within six (6) months following its termination, You or a mutually agreeable entity may audit Us once each calendar year to determine whether We are fulfilling the terms of this Agreement. Prior to the commencement of this audit, We must receive a signed, mutually agreeable confidentiality agreement.

Such confidentiality agreement must give Our PBS subcontractor third party beneficiary rights to enforce the confidentiality requirements with respect to Our PBS subcontractor's confidential information.

Without limiting the foregoing, with respect to audits regarding the payment of Rebates by pharmaceutical manufacturers, the audit must be conducted solely by a "big four" public accounting firm that maintains a separate and stand-alone audit department and is not providing support in conjunction with any litigation pending against Our PBS subcontractor or Us. However, if no "big four" public accounting firm is qualified to perform the audit due to the above requirements, another mutually agreeable firm meeting such requirements may be used. You must advise Us in writing of Your intent to audit. The place, time, type, duration, and frequency of all audits must be reasonable and agreed to by Us. All audits will be limited to information relating to the calendar year in which the audit is conducted, and/or the immediately preceding calendar year. With respect to Our transaction processing services, the audit scope and methodology will be consistent with generally acceptable auditing standards, including a statistically valid random sample or other acceptable audit technique as approved by Us ("Scope").

You will pay any expenses that You incur in connection with the audit. In addition, You will be charged a reasonable per claim charge and a \$1,000 charge per day for audits outside of the following parameters: (1) more than one audit per calendar year; (2) any on-site audit visit that is not completed within five (5) business days; (3) sample sizes exceeding the Scope specified above; or (4) any audit initiated after this Agreement has terminated. The additional fees cover the additional resources, facility fees, and other incremental costs associated with an audit that exceeds the Scope.

In addition to Your expenses and any applicable fees, You will also pay any extraordinary expenses We incur in connection with the audit. For any audit initiated after this Agreement is terminated, You will pay all expenses incurred by Us.

You will provide Us with a copy of any audit reports within thirty (30) days after You receive the audit report(s) from the auditor.

**Section 9.4 Proprietary Business Information.** Each party will limit the use of the other's Proprietary Business Information to only the information required to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement. Neither party will disclose the other's Proprietary Business Information to any person or entity other than to the disclosing party's employees, subcontractors, or representatives needing access to such information to administer the Plan, to perform under this Agreement, or as otherwise permitted under this Agreement. This provision shall survive the termination of this Agreement.

**Section 9.5 SAS 70 Reports.** We may periodically provide You with Our SAS 70 report ("Report") for Your review in connection with Plan administrative purposes only. The Report is Our Proprietary Business Information and shall not be shared with any third parties without Our prior written approval; provided, however, that You can share the Report with: (i) Your independent public accounting firm; and /or (ii) Your consultants, provided that such consultants are not in any way a competitor of ours. To the extent that You do provide the Report to Your independent public accounting firm or a consultant as permitted herein, You shall require that they retain the Report as confidential and that they not disclose such Report to any other persons or entities.

**Section 9.6 PHI.** The parties' obligations with respect to the use and disclosure of PHI are outlined in the Business Associate Addendum attached to this Agreement as Exhibit B.

## **Section 10 - System Access**

**Section 10.1 System Access.** We grant You the nonexclusive, nontransferable right to access and use the functionalities contained within the Systems, under the terms specified in this Agreement. You agree that all rights, title and interest in the Systems and all rights in patents, copyrights, trademarks and trade secrets encompassed in the Systems will remain ours. To obtain access to the Systems, You will obtain, and be responsible for maintaining, at no expense to Us, the hardware, software and Internet browser requirements We provide to You, including any amendments thereto. You will be responsible for obtaining an Internet Service Provider or other access to the Internet. You will not (i) access Systems or use, copy, reproduce, modify, or excerpt any Systems documentation provided by Us in order to access or utilize Systems, for purposes other than as expressly permitted under this Agreement or (ii) share, transfer or lease Your right to access and use Systems, to any other person or entity which is not a party to this Agreement. You may designate any third party to access Systems on Your behalf, provided the third party agrees to these terms and conditions of Systems access and You assume joint responsibility for such access.

**Section 10.2 Security Procedures.** You will use commercially reasonable physical and software-based measures, and comply with Our security procedures, as may be amended from time to time, to protect the System, its functionalities, and data accessed through Systems from any unauthorized access or damage (including damage caused by computer viruses). You will notify Us immediately if any breach of the security procedures, such as unauthorized use, is suspected.

**Section 10.3 System Access Termination.** We reserve the right to terminate Your System access (i) on the date You fail to accept the hardware, software and browser requirements provided by Us, including any amendments thereto or (ii) immediately on the date We reasonably determine that You have (i) breached, or

allowed a breach of, any applicable provision of this Section 10 or (ii) materially breached or allowed a material breach of, any other applicable provision of this Agreement. Your System Access will also terminate upon termination of this Agreement, provided however that if run-out is provided in accordance with Section 8.2, You may continue to access applicable functionalities within the Systems during the run-out period. Upon any of the termination events described in this Agreement, You agree to cease all use of Systems, and We will deactivate Your identification numbers, passwords, and access to the System.

## **Section 11 - Taxes And Assessments**

**Section 11.1 Payment of Taxes and Expenses.** In the event that any Taxes are assessed against Us as a claim administrator in connection with Our services under this Agreement, You will reimburse Us through the Bank Account for Your proportionate share of such Taxes (but not Taxes on Our net income). We have the authority and discretion to reasonably determine whether any such Tax should be paid or disputed. You will also reimburse Us for a proportionate share of any cost or expense reasonably incurred by Us in disputing such Tax, including costs and reasonable attorneys' fees and any interest, fines, or penalties relating to such Tax, unless caused by Our unreasonable delay or unreasonable determination to dispute such Tax.

**Section 11.2 Tax Reporting.** In the event that the reimbursement of any benefits to Participants in connection with this Agreement is subject to Plan or employer based tax reporting requirements, You agree to comply with these requirements.

**Section 11.3 Surcharges.** The Plan will remain responsible for state surcharges, assessments, or similar Taxes imposed by governmental entities or agencies on the Plan.

## **Section 12 - Indemnification**

**Section 12.1 You Indemnify Us.** If a court of competent jurisdiction determines that You are liable for losses, liabilities, penalties, fines, costs, damages, and expenses, including reasonable attorneys' fees, which have been asserted against Us, which arose out of (i) Your gross negligence or willful misconduct in the performance of Your obligations under this Agreement, (ii) Your material breach of this Agreement, or (iii) a breach of any other agreements We enter into with third parties on Your behalf, You shall hold Us harmless and indemnify Us for Your proportionate share of any such liability, to the extent allowed by Texas Law. This provision shall survive the termination of this Agreement.

**Section 12.2 We Indemnify You.** We will indemnify You and hold You harmless against any and all losses, liabilities, penalties, fines, costs, damages, and expenses, that You incur, including reasonable attorneys' fees, which arise out of (i) Our or Our vendors' gross negligence or willful misconduct in the performance of Our or Our vendors', subcontractors' or representatives' obligations under this Agreement or (ii) Our material breach of this Agreement, all as determined by a court or other tribunal having jurisdiction of the matter. Notwithstanding the foregoing, You will remain responsible for payment of benefits and Our indemnification will not extend to indemnification of You or the Plan against any claims, liabilities, damages, judgments or expenses that constitute payment of Plan benefits. This provision shall survive the termination of this Agreement.

## **Section 13 - Plan Benefits Litigation**

**Section 13.1 Litigation Against Us.** We will select and retain defense counsel to represent Our and the Plan's interest if a demand is asserted, or litigation or administrative proceedings are begun by a Participant or health care provider against Us, or against the Plan and Us jointly, to recover Plan benefits, related to Our duties under this Agreement ("Plan Benefits Litigation"). All reasonable legal fees and costs We incur will be paid by Us (except as provided in Section 12.1). To the extent that no conflict of interest exists, both parties will cooperate fully with each other in the defense of Plan Benefits Litigation.

In all events, You are responsible for the full amount of any Plan benefits paid as a result of such litigation. This provision shall survive the termination of this Agreement.

**Section 13.2 Litigation Against You.** If litigation or administrative proceedings are begun against You and/or the Plan, You will select and retain counsel, and You will be responsible for all legal fees and costs in connection with such litigation, except as provided in Section 12.2. We will cooperate fully in the defense of litigation arising out of matters relating to this Agreement. This provision shall survive the termination of this Agreement.

## **Section 14 - Mediation**

In the event that any dispute, claim, or controversy of any kind or nature relating to this Agreement arises between the parties, the parties agree to meet and make a good faith effort to resolve the dispute. If the dispute is not resolved within thirty (30) days after the parties first met to discuss it, and either party wishes to pursue the dispute further, that party will refer the dispute to non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association ("AAA"). In no event may the mediation be initiated more than one year after the date one party first gave written notification of the dispute to the other party. A single mediator engaged in the practice of law, who is knowledgeable about employee benefit plan administration, will conduct the mediation under the then current rules of the AAA. The mediation will be held in Dallas County, Texas or a mutually agreeable site. Nothing herein is intended to prevent either party from seeking any other remedy available at law including seeking redress in a court of competent jurisdiction. This provision shall survive the termination of this Agreement.

## **Section 15 - Miscellaneous**

**Section 15.1 Subcontractors.** We can use Our affiliates as subcontractors, or other subcontractors, to perform Our services under this Agreement. We will be responsible for those services to the same extent that We would have been had We performed those services without the use of an affiliate or subcontractor.

**Section 15.2 Assignment.** Except as provided in this paragraph, neither party can assign this Agreement or any rights or obligations under this Agreement to anyone without the other party's written consent. That consent will not be unreasonably withheld. Nevertheless, We can assign this Agreement, including all of Our rights and obligations to Our affiliates, to an entity controlling, controlled by, or under common control with Us, or a purchaser of all or substantially all of Our assets, subject to notice to You of the assignment.

**Section 15.3 Governing Law.** This Agreement is governed by the laws of the State of Texas. Venue for a proceeding brought under this agreement shall be Dallas County, Texas. This provision shall survive the termination of the Agreement.

**Section 15.4 Entire Agreement.** This Agreement, with its exhibits, constitutes the entire agreement between the parties governing the subject matter of this Agreement. This Agreement replaces any prior written or oral communications or agreements between the parties relating to the subject matter of this Agreement. The headings and titles within this Agreement are for convenience only and are not part of the Agreement.

**Section 15.5 Amendment.** Except as may otherwise be specified in this Agreement, the Agreement may be amended only by both parties agreeing to the amendment in writing, executed by a duly authorized person of each party.

**Section 15.6 Waiver/Estoppel.** Nothing in this Agreement is considered to be waived by any party, unless the party claiming the waiver receives the waiver in writing. No breach of the Agreement is considered to be waived unless the non-breaching party waives it in writing. A waiver of one provision does not constitute a waiver of any other. A failure of either party to enforce at any time any of the provisions of this Agreement, or to exercise any option which is herein provided in this Agreement, will in no way be construed to be a waiver of such provision of this Agreement.

**Section 15.7 Notices.** Any notices, demands, or other communications required under this Agreement will be in writing and may be provided via electronic means or by United States Postal Service by certified or registered mail, return receipt requested, postage prepaid, or delivered by a service that provides written receipt of delivery.

**Section 15.8 Use of Name.** The parties agree not to use each other's name, logo, service marks, trademarks or other identifying information without the written permission of the other; provided, however, You grant Us permission to use Your name, logo, service marks, trademarks or other identifying information to the extent necessary for Us to carry out Our obligations under this Agreement (e.g. on EBBs and ID cards).

**Section 15.9 Producer Compensation.** We pay brokers and agents (referred to collectively as "producers") compensation for their services in connection with the sale of Our third party administrative services, in compliance with applicable law. We pay "base commissions" based on factors such as the type of services sold, total amount of administrative fees, group size, and number of employees. These commissions are reflected in the administrative service rate. In addition, We may pay bonuses pursuant to bonus programs established from time to time which are designed to encourage the provision of information regarding new products and provide incentives to achieve production targets, persistency levels, growth goals and other objectives. Bonuses are not reflected in the administrative service fees but are paid from Our general administrative expenses. In general, Our total bonuses are less than 10% of total producer compensation paid but the percentage may be higher in certain situations. It is Our policy not to pay commissions to producers with respect to a product for which the customer is also paying the producer a commission or other fee. Please note We also make payments from time to time to producers for services other than those relating to the sale of services (for example, compensation for services as a general agent or as a consultant). We have taken steps to ensure that producers properly disclose their compensation arrangements to their customers, but We cannot guarantee the producer's compliance. For general information on Our producer payment arrangements, including the approximate percentage of total compensation that total bonus payments comprise, please go to <http://www.uhc.com> and click on the drop down box for employers under "View Our Programs - Producer Payment Programs." For specific information about the compensation payable with respect to Your particular situation, please contact Your producer.

## EXHIBIT A - SERVICE FEES

This exhibit lists the fees Customer must pay United for United's services during the term of the Agreement. These fees apply for the period from January 1, 2018 through December 31, 2020. Customer acknowledges that the amounts paid for administrative services are reasonable. If authorized by Customer pursuant to this Agreement or by subsequent authorization, certain fees will be paid through a withdrawal from the Bank Account.

### Standard Medical Service Fees

The Standard Medical Service Fees described below, excluding optional and non-standard fees, are adjusted as set forth in the applicable performance standard(s).

The Standard Medical Fees listed below are based upon an estimated minimum of 3,612 enrolled Employees.

**The Standard Medical Service Fees are the sum of the following:**

- \$39.80 per Employee per month covered under the Plan.
- Average Contract Size: 2.59

### Pharmacy AWP Contract Rate

Customer's contract rate for prescription drugs is as provided in Exhibit B. United uses Medi-Span's national drug data file as the source for average wholesale price (AWP) information. United reserves the right to revise the pricing and adopt a new source or benchmark if there are material industry changes in pricing methodologies.

### Other Fees

Service Description	Fee
Fraud and Abuse Management	Fee equal to thirty-two and five-tenths percent (32.5%) of the gross recovery amount
Hospital Audit Program Services	Fee not to exceed thirty-one percent (31%) of the gross recovery amount
Credit Balance Recovery Services	Fee not to exceed ten percent (10%) of the gross recovery amount.
Standardized Summary of Benefits and Coverage (SBC) as established under The Patient Protection and Affordable Care Act of 2010	United will provide, at no additional charge, standard format, electronic copies of the SBC documents (twice per year) for medical benefit plans administered by United. Customer logos can be included on the SBC at no additional charge. Additional fees will apply for other services. United will not create SBCs for medical plans United does not administer.
Third Party Liability Recovery (Subrogation) Services	Fee equal to thirty-three and one-third percent (33.3%) of the gross recovery amount
Advanced Analytics and Recovery Services	Fee equal to twenty four percent (24%) of the gross recovery amount
Shared Savings Program	Customer will pay a fee equal to 35% of the Savings Obtained as a result of the Shared Savings Program[, to be paid through a withdrawal from the Bank Account]. Savings Obtained means the amount that would have been payable to a health care provider, including amounts payable by both the Participant and the Plan, if no discount were available, minus the amount that is payable to the health care provider, again, including



	amounts payable by both the Participant and the Plan, after the discount is taken.
External Reviews	For each subsequent external review beyond 5 total reviews per year, a fee of \$500 will apply per review.
<p>Valued Based Pricing</p> <p>If any one Participant's claims exceed the individual stop loss deductible of \$23.02 during an Agreement period, the fee determined above with respect to Network Savings obtained during that Agreement period as a result of that Participant's claims will not exceed \$39.80.</p>	<p>40% of the "Network Savings" obtained through Value Base Pricing.</p> <p>Network Savings means the amount of covered charges that would have been payable to a Network Provider, including amounts payable by both the Participant and the Plan, if no discount were applicable, minus the amount of covered charges actually paid to the Provider, again, including amounts paid by both the Participant and the Plan, based on the applicable rates for fees for services set forth in United's provider agreement with the Network Provider.</p> <p>The following benefits, if applicable under Customer's Plan, will not be included in the calculation of the "Network Savings" amount: benefits paid under the Plan as a secondary plan; and benefits paid under Managed Pharmacy Benefit Services. Mental Health and Substance Abuse Services, and dental benefits.</p>

### Wellness Allowance

United will provide a wellness allowance so Customer may enhance Customer medical benefits during the term of the Agreement. The wellness allowance may be used at Customer's discretion as Customer utilizes wellness programming and services from United. This credit is available during the 2018. If Customer terminates the Agreement prior to December 31, 2018, Customer will pay United a prorated portion of this credit.

\$50,000 Wellness allowance In 2018 included in the Standard Medical Service Fees.

## EXHIBIT B – PERFORMANCE STANDARDS FOR HEALTH BENEFITS

The Standard Medical Service Fees (excluding Optional and Non-Standard Fees and that portion of the Standard Medical Service Fees attributable to Commission Funds, if applicable, as described in Exhibit B), (hereinafter referred to as “Fees” in this Exhibit) payable by Customer under this Agreement will be adjusted through a credit to its fees in accordance with the performance guarantees set forth below unless otherwise defined in the guarantee. Unless otherwise specified, these guarantees apply to medical benefits and are effective for the period January 1, 2018 through December 31, 2018 (“Guarantee Period”). With respect to the aspects of United’s performance addressed in this exhibit, these fee adjustments are your exclusive financial remedies.

These guarantees will become effective upon the later of (1) the effective date of the Guarantee Period; or (2) the date this Agreement is signed by both parties. In the event these guarantees become effective later than the effective date of the Guarantee Period: (1) quarterly guarantees will become effective beginning with the next calendar quarter following signature of this Agreement by both parties and (2) annual guarantees will become effective commencing with the Term of the Agreement during which this Agreement is signed by both parties.

United shall not be required to meet any of the guarantees provided for in this Agreement or amendments thereto to the extent United’s failure is due to Customer’s actions or inactions or if United fails to meet these standards due to fire, embargo, strike, war, accident, act of God, acts of terrorism or United’s required compliance with any law, regulation, or governmental agency mandate or anything beyond United’s reasonable control.

Prior to the end of the Guarantee Period, and provided that this Agreement remains in force, United may specify to Customer in writing new performance guarantees for the subsequent Guarantee Period. If United specifies new performance guarantees, United will also provide you with a new Exhibit that will replace this Exhibit for that subsequent Guarantee Period.

Claim is defined as an initial and complete written request for payment of a Plan benefit made by an enrollee, physician, or other healthcare provider on an accepted format. Unless stated otherwise, the claims are limited to medical claims processed through the UNET claims systems. Claims processed and products administered through any other system, including claims for other products such as vision, dental, flexible spending accounts, health reimbursement accounts, health savings accounts, or pharmacy coverage, are not included in the calculation of the performance measurements. Also, services provided under capitated arrangements are not processed as a typical claim; therefore capitated payments are not included in the performance measurements.

Claim Operations			
Time to Process in 10 Days			
Definition	The percentage of all claims United receives will be processed within the designated number of business days of receipt.		
Measurement	Percentage of claims processed		94%
	Time to process, in business days or less after receipt of claim	business days	10
Criteria	Standard claim operations reports		
Level	Site Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$12,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	11 business days 12 business days 13 business days 14 business days		

	15 business days or more		
Dollar Accuracy (DAR)			
Definition	Dollar accuracy rate of not less than the designated percent in any quarter.		
Measurement	Percentage of claims dollars processed accurately		99%
Criteria	Statistically significant random sample of claims processed is reviewed to determine the percentage of claim dollars processed correctly out of the total claim dollars paid.		
Level	Office Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$12,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	98.99% - 98.50% 98.49% - 98.00% 97.99% - 97.50% 97.49% - 97.00 Below 97.00%		
Procedural Accuracy			
Definition	Procedural accuracy rate of not less than the designated percent.		
Measurement	Percentage of claims processed without procedural (i.e. non-financial) errors		97%
Criteria	Statistically significant random sample of claims processed is reviewed to determine the percentage of claim dollars processed without procedural (i.e. non-financial) errors.		
Level	Office Level		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$12,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	96.99% - 96.50% 96.49% - 96.00% 95.99% - 95.50% 95.49% - 95.00% Below 95.00%		
Member Phone Service			
Phone service guarantees and standards apply to Participant calls made to the customer care center that primarily services Customer’s Participants. If Customer elects a specialized phone service model the results may be blended with more than one call center and/or level. They do not include calls made to care management personnel and/or calls to the senior center for Medicare Participants, nor do they include calls for services/products other than medical, such as mental health/substance abuse, pharmacy (except when United is Customer’s pharmacy benefit services administrator), dental, vision, Account, Health Savings Account, etc.			
Average Speed to Answer			
Definition	Calls will sequence through our phone system and be answered by customer service within the parameters set forth.		
Measurement	Percentage of calls answered		100%
	Time answered in seconds, on average	seconds	30
Criteria	Standard tracking reports produced by the phone system for all calls		
Level	Team that services Customer’s account		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$12,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	32 seconds or less 34 seconds or less 36 seconds or less 38 seconds or less Greater than 38 seconds		
Abandonment Rate			
Definition	The average call abandonment rate will be no greater than the percentage set forth		
Measurement	Percentage of total incoming calls to customer service abandoned, on average		2%
Criteria	Standard tracking reports produced by the phone system for all calls		
Level	Team that services Customer’s account		

Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$12,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	2.01% - 2.50%		
	2.51% - 3.00%		
	3.01% - 3.50%		
	3.51% - 4.00%		
	Greater than 4.00%		
Call Quality Score			
Definition	Maintain a call quality score of not less than the percent set forth		
Measurement	Call quality score to meet or exceed		93%
Criteria	Random sampling of calls are each assigned a customer service quality score, using our standard internal call quality assurance program.		
Level	Office that services Customer’s account		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$12,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		20%
Gradients	92.99% - 91.00%		
	90.99% - 89.00%		
	88.99% - 87.00%		
	86.99% - 85.00%		
	Below 85.00%		
Satisfaction			
Employee (Member) Satisfaction			
Definition	The overall satisfaction will be determined by the question that reads “Overall, how satisfied are you with the way we administer your medical health insurance plan?”		
Measurement	Percentage of respondents, on average, indicating a grade of satisfied or higher		80%
Criteria	Operations standard survey, conducted over the course of the year; may be customer specific for an additional charge.		
Level	Office that services Customer’s account		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$6,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		N/A
Gradients	Not applicable		
Customer Satisfaction			
Definition	The overall satisfaction will be determined by the question that reads “How satisfied are you overall with UnitedHealthcare?”		
Measurement	Minimum score on a 10 point scale	score	5
Criteria	Standard Customer Scorecard Survey		
Level	Customer specific		
Period	Annually		
Payment Period	Annually		
Fees at Risk	Total Dollars at Risk for this metric		\$6,000
Payment Amount	Of the Fees at Risk for this metric, percentage at risk for each gradient		N/A
Gradients	Not applicable		

Pharmacy Financials			
Definition	Contracted pharmacy rates that will be delivered to You.		
Measurement and Criteria	01/01/2018	01/01/2019	01/01/2020
	Combined Discount Guarantee		

-	Retail Brand, Average Wholesale Price (AWP) less	16.7%	16.8%	17.0%
	Retail Generic - 30 Day, AWP less	77.0%	77.5%	78.0%
	Mail Order Brand, AWP less	23.3%	23.5%	23.8%
	Mail Order Generic, AWP less	81.0%	81.2%	81.4%
	The Guaranteed Discount amount will be determined by multiplying the AWP by the guaranteed discount off AWP by each component and adding the amounts together.			
	<b>Dispensing Fees</b>			
	Retail Brand	\$1.00	\$0.95	\$0.90
	Retail Generic	\$1.00	\$0.95	\$0.90
	Dispensing fee totals are calculated by multiplying the actual scripts for each type by the contracted rate for that script type.			
	<b>Fixed Rebate Guarantee (Traditional PDL)</b>			
	Basis, per script	Brand	Brand	Brand
	Retail	\$112.09	\$143.34	\$156.45
	Mail Order	\$205.85	\$231.83	\$237.09
	Specialty	Included In Retail	Included In Retail	Included In Retail
Level	Customer Specific			
Period	Annually			
Payment Period	Annually			
Payment Amount -- Discounts	The amount the actual discounts are less than the combined contracted discount amount.			
Payment Amount -- Dispensing Fees	The amount the combined actual dispensing fee exceeds the combined contracted dispensing fee.			
Payment Amount -- Rebates	The amount the combined actual Rebate amount are less than the combined guaranteed Rebate amount.			
Conditions	<p><b>Discount Specific Conditions</b></p> <ul style="list-style-type: none"> <li>• Discounts are based on actual Network Pharmacy brand and generic usage of retail and mail order drugs</li> <li>The guaranteed discount amount will be determined by multiplying the AWP by the contracted discount rate off AWP by component.</li> <li>• Does not apply to items covered under the Plan for which no AWP measure exists.</li> <li>• Discounts calculated based on AWP less the ingredient cost; discount percentages are the discounts divided by the AWP. Discounts for retail and mail order generic prescriptions represent the average AWP based on savings off Maximum Allowable Cost (MAC) pricing for MAC generics and percentage discount savings off AWP for non-MAC generics. All other discounts represent the percentage discount savings off of AWP.</li> <li>• The arrangement excludes all specialty drugs, generic medications launched as an 'at-risk' product, generic medication with pending litigation, compound drugs, retail out of network claims, mail order drugs (for dispensing fee arrangement) and non-drug items.</li> <li>• When a drug is identified as a brand name drug, it will be considered a brand name drug for the calculation of discount guarantees. When a drug is identified as a generic drug, it will be considered a generic drug for the calculation of discount guarantees.</li> </ul> <p><b>Rebate Specific Conditions</b></p>			

<div data-bbox="248 590 261 978" style="display: flex; flex-direction: column; gap: 10px;"> <span>-</span> <span>-</span> <span>-</span> <span>-</span> <span>-</span> <span>-</span> </div> <div data-bbox="266 1801 451 1829">TRRX (05/2015)</div>	<ul style="list-style-type: none"> <li>• Assumes implementation of United's Traditional PDL</li> </ul> <p>United reserves the right to modify or eliminate this arrangement as follows based upon changes in Rebates:</p> <ul style="list-style-type: none"> <li>• if changes made to United's PDL, for the purpose of achieving a lower net drug cost for Customer and United's other ASO customers, result in significant reductions to the Rebate level</li> <li>• in the event that there are material deviations to the anticipated timing of drugs that will come off patent and no longer generate Rebates</li> <li>• United will pay Fixed Rebates consistent with the Agreement. To the extent Rebates paid to United exceed the Fixed Rebate amount, We will retain the excess, including any Rebates United may earn on prescription drug products in any tiers not included in this arrangement and any related interest.</li> <li>• Specialty rebates are included in the guaranteed retail per-script rebates above.</li> <li>• Rebate Administrative Fee: United maintains systems and processes necessary for managing and administering Rebate programs. As consideration for these efforts, pharmaceutical manufacturers pay United administrative fees in addition to Rebates. Customer acknowledges that United retains these fees.</li> </ul> <p><b>General Conditions</b></p> <ul style="list-style-type: none"> <li>• On mail order drugs and retail pharmacy drugs and services including dispensing fees, United will retain the difference between what United reimburses the Network Pharmacy and Customer's payment for a prescription drug product or service.</li> <li>• A minimum of 1,256 Employees and 3,251 Participants enrolled in the pharmacy plan is required.</li> <li>• The lessor of three logic (non-ZBL) will apply to Participant payments. Participants pay the lessor of the discounted price, the usual and customary charge or the cost share amount.</li> <li>• All pricing guarantees require the selection of United as the exclusive mail provider and a mail benefit design as applicable to the historical data provided for the purpose of this cost proposal. All rates and fees are subject to change otherwise.</li> <li>• United reserves the right to revise or revoke this arrangement if: a) changes in federal, state or other applicable law or regulation require modifications; b) there are material changes to the AWP as published by the pricing agency that establishes the AWP as used in these arrangements; c) Customer makes benefit changes that impact the arrangements; d) there is a material industry change in pricing methodologies resulting in a new source or benchmark; e) it is not accepted within ninety (90) days of the issuance of our initial quote; f) if Customer changes their mail service benefit.</li> </ul>
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Specialty Pharmacy					
Specialty Pharmacy Discount Guarantee					
Definition	Specialty drug discount level based on actual specialty drug utilization for the specialty drugs dispensed through United's specialty Pharmacy Network				
Measurement	Discount targets for individual drugs dispensed through United's specialty Pharmacy Network. See chart below.				
Criteria	Actual utilization, using Average Wholesale Price (AWP) in dollars, using our data, of specialty drugs through Our specialty Pharmacy Network will be multiplied against the discount targets for the individual drugs to determine the overall discount target dollars. This total will be compared to actual discounts achieved for these drugs during the Guarantee Period.				
Level	Customer Specific				
Period	Annual				
Payment Period	Annual				
Payment Amount	The amount the combined actual specialty drug discounts are less than the sum of the individual specialty drug discount targets as computed above.				
Conditions	<ul style="list-style-type: none"> <li>• Discounts calculated based on the AWP less the ingredient cost; discount percentages are the discounts divided by the AWP. Discounts for retail generic prescriptions represent the average savings off AWP based on Maximum Allowable Cost (MAC) pricing for MAC generics and percentage discount savings off AWP for non-MAC generics. All other discounts represent the percentage discount savings off of AWP.</li> <li>• Specialty drugs dispensed outside United's specialty Pharmacy Network, drugs for which no AWP measure exists and non-drug items are excluded.</li> <li>• United reserves the right to revise or revoke this guarantee if: a) changes in federal, state or other applicable law or regulation require modifications; b) there are material changes to the AWP as published by the pricing agency that establishes the AWP as used in this guarantee; c) Customer makes benefit changes that impact the guarantee; d) there is a material industry change in pricing methodologies resulting in a new source or benchmark</li> </ul>				
Specialty Drug Category	Drug Name	Guarantee Pricing (AWP-%)	Specialty Drug Category	Drug Name	Guarantee Pricing (AWP-%)
ANEMIA	ARANESP	13.9%	HIV	STAVUDINE	33.7%
ANEMIA	EPOGEN	14.1%	HIV	STRIBILD	13.8%
ANEMIA	PROCRT	14.4%	HIV	SUSTIVA	15.0%
ANTIHYPERLI PIDEMIC	JUXTAPID	15.0%	HIV	TIVICAY	13.3%
ANTIHYPERLI PIDEMIC	KYNAMRO	12.3%	HIV	TRIUMEQ	14.7%
ANTIHYPERLI PIDEMIC	PRALUENT	14.3%	HIV	TRIZIVIR	15.0%

ANTIHYPERLIPIDEMIC	REPATHA	14.6%	HIV	TRUVADA	14.2%
ANTI-INFECTIVE	DARAPRIM	13.3%	HIV	TYBOST	14.3%
CARDIOVASCULAR	NORTHERA	14.3%	HIV	VIDEX	15.1%
CNS AGENTS	HETLIOZ	14.3%	HIV	VIDEX EC	15.1%
CNS AGENTS	SABRIL	15.1%	HIV	VIRACEPT	15.0%
CNS AGENTS	TETRABENAZINE	15.3%	HIV	VIRAMUNE	15.0%
CNS AGENTS	XENAZINE	15.3%	HIV	VIRAMUNE XR	15.0%
CNS AGENTS	XYREM	6.4%	HIV	VIREAD	15.0%
CYSTIC FIBROSIS	BETHKIS	12.3%	HIV	ZERIT	15.1%
CYSTIC FIBROSIS	CAYSTON	14.8%	HIV	ZIAGEN	15.0%
CYSTIC FIBROSIS	KALYDECO	12.7%	HIV	ZIDOVUDINE	33.7%
CYSTIC FIBROSIS	KITABIS PAK	13.3%	IMMUNE MODULATOR	ACTIMMUNE	14.8%
CYSTIC FIBROSIS	ORKAMBI	14.3%	IMMUNE MODULATOR	ARCALYST	14.8%
CYSTIC FIBROSIS	PULMOZYME	14.3%	INFERTILITY	BRAVELLE	14.1%
CYSTIC FIBROSIS	TOBI	14.3%	INFERTILITY	CETROTIDE	14.3%
CYSTIC FIBROSIS	TOBI PODHALER	14.3%	INFERTILITY	CHORIONIC GONADOTROPIN	15.3%
CYSTIC FIBROSIS	TOBRAMYCIN	33.7%	INFERTILITY	FOLLISTIM AQ	14.1%
ENDOCRINE	BUPHENYL	14.3%	INFERTILITY	GANIRELIX ACETATE	10.9%
ENDOCRINE	CARBAGLU	8.8%	INFERTILITY	GONAL-F	23.5%
ENDOCRINE	CHENODAL	10.2%	INFERTILITY	GONAL-F RFF	23.5%
ENDOCRINE	CUPRIMINE	13.6%	INFERTILITY	MENOPUR	10.9%
ENDOCRINE	CYSTADANE	11.3%	INFERTILITY	NOVAREL	14.3%
ENDOCRINE	CYSTARAN	13.8%	INFERTILITY	OVIDREL	14.3%
ENDOCRINE	EGRIFTA	14.3%	INFERTILITY	PREGNYL	14.3%
ENDOCRINE	FIRMAGON	14.3%	INFLAMMATORY CONDITIONS	ACTEMRA	14.3%
ENDOCRINE	GATTEX	14.3%	INFLAMMATORY CONDITIONS	CIMZIA	14.3%
ENDOCRINE	H.P. ACTHAR	14.3%	INFLAMMATORY CONDITIONS	COSENTYX	13.0%
ENDOCRINE	KEVEYIS	11.8%	INFLAMMATORY CONDITIONS	ENBREL	13.2%
ENDOCRINE	KORLYM	12.3%	INFLAMMATORY CONDITIONS	HUMIRA	15.5%
ENDOCRINE	KUVAN	13.5%	INFLAMMATORY	KINERET	14.3%



			CONDITIONS		
ENDOCRINE	MYALEPT	1.3%	INFLAMMATORY CONDITIONS	ORENCIA	14.4%
ENDOCRINE	NATPARA	13.3%	INFLAMMATORY CONDITIONS	OTEZLA	12.3%
ENDOCRINE	OCTREOTIDE ACETATE	33.7%	INFLAMMATORY CONDITIONS	SIMPONI	14.3%
ENDOCRINE	PROCYSBI	8.2%	INFLAMMATORY CONDITIONS	STELARA	12.6%
ENDOCRINE	RAVICTI	12.8%	INFLAMMATORY CONDITIONS	TALTZ	12.3%
ENDOCRINE	SAMSCA	14.3%	INFLAMMATORY CONDITIONS	XELJANZ	14.3%
ENDOCRINE	SANDOSTATIN	14.6%	INFLAMMATORY CONDITIONS	XELJANZ XR	14.3%
ENDOCRINE	SIGNIFOR	8.8%	IRON OVERLOAD	EXJADE	12.8%
ENDOCRINE	SODIUM PHENYLBUTYRATE	33.7%	IRON OVERLOAD	FERRIPROX	13.3%
ENDOCRINE	SOMATULINE DEPOT	14.3%	IRON OVERLOAD	JADENU	13.8%
ENDOCRINE	SOMAVERT	11.5%	LIVER DISEASE	OCALIVA	15.3%
ENDOCRINE	SYPRINE	13.6%	MULTIPLE SCLEROSIS	AMPYRA	12.6%
ENDOCRINE	THIOLA	12.3%	MULTIPLE SCLEROSIS	AUBAGIO	13.3%
ENDOCRINE	XURIDEN	13.3%	MULTIPLE SCLEROSIS	AVONEX	13.1%
ENZYME DEFICIENCY	CHOLBAM	5.1%	MULTIPLE SCLEROSIS	BETASERON	14.3%
ENZYME DEFICIENCY	ORFADIN	3.1%	MULTIPLE SCLEROSIS	COPAXONE	14.3%
ENZYME DEFICIENCY	STRENSIQ	12.1%	MULTIPLE SCLEROSIS	EXTAVIA	14.3%
ENZYME DEFICIENCY	SUCRAID	11.8%	MULTIPLE SCLEROSIS	GILENYA	14.3%
ENZYME DEFICIENCY	ZAVESCA	11.8%	MULTIPLE SCLEROSIS	GLATOPA	33.7%
GAUCHERS DISEASE	CERDELGA	14.3%	MULTIPLE SCLEROSIS	PLEGRIDY	14.3%
GROWTH HORMONE DEFICIENCY	GENOTROPIN	14.7%	MULTIPLE SCLEROSIS	REBIF	14.1%
GROWTH HORMONE DEFICIENCY	HUMATROPE	15.0%	MULTIPLE SCLEROSIS	REBIF REBIDOSE	14.1%
GROWTH HORMONE DEFICIENCY	INCRELEX	14.3%	MULTIPLE SCLEROSIS	TECFIDERA	14.3%

GROWTH HORMONE DEFICIENCY	NORDITROPIN	15.0%	MULTIPLE SCLEROSIS	ZINBRYTA	13.3%
GROWTH HORMONE DEFICIENCY	NUTROPIN AQ	14.7%	NEUTROPENIA	GRANIX	14.6%
GROWTH HORMONE DEFICIENCY	NUTROPIN AQ NUSPIN	14.7%	NEUTROPENIA	LEUKINE	14.6%
GROWTH HORMONE DEFICIENCY	OMNITROPE	14.6%	NEUTROPENIA	NEULASTA	14.3%
GROWTH HORMONE DEFICIENCY	SAIZEN	17.0%	NEUTROPENIA	NEUPOGEN	14.3%
GROWTH HORMONE DEFICIENCY	SEROSTIM	14.3%	NEUTROPENIA	ZARXIO	14.6%
GROWTH HORMONE DEFICIENCY	ZOMACTON	15.0%	ONCOLOGY - INJECTABLE	INTRON A	13.8%
GROWTH HORMONE DEFICIENCY	ZORBTIVE	13.8%	ONCOLOGY - INJECTABLE	SYLATRON	14.3%
HEMATOLOGY C	BERINERT	18.4%	ONCOLOGY - INJECTABLE	SYNRIBO	12.3%
HEMATOLOGY C	CINRYZE	8.7%	ONCOLOGY - ORAL	AFINITOR	14.3%
HEMATOLOGY C	FIRAZYR	14.3%	ONCOLOGY - ORAL	AFINITOR DISPERZ	14.3%
HEMATOLOGY C	MOZOBIL	14.3%	ONCOLOGY - ORAL	ALECENSA	14.7%
HEMATOLOGY C	PROMACTA	14.3%	ONCOLOGY - ORAL	BEXAROTEN E	34.1%
HEMATOLOGY C	RUCONEST	13.3%	ONCOLOGY - ORAL	BOSULIF	14.3%
HEMOPHILIA	ADVATE	40.5%	ONCOLOGY - ORAL	CABOMETY X	12.3%
HEMOPHILIA	ADYNOVATE	34.2%	ONCOLOGY - ORAL	CAPECITABINE	33.7%
HEMOPHILIA	ALPHANATE/VON WILLEBRAND	37.4%	ONCOLOGY - ORAL	CAPRELSA	9.2%
HEMOPHILIA	ALPHANINE SD	31.2%	ONCOLOGY - ORAL	COMETRIQ	11.5%
HEMOPHILIA	ALPROLIX	14.3%	ONCOLOGY - ORAL	COTELLIC	13.3%
HEMOPHILIA	BEBULIN	13.5%	ONCOLOGY - ORAL	ERIVEDGE	13.3%
HEMOPHILIA	BENEFIX	8.2%	ONCOLOGY - ORAL	FARYDAK	12.3%
HEMOPHILIA	COAGADEX	30.6%	ONCOLOGY - ORAL	GILOTRIF	14.3%
HEMOPHILIA	CORIFACT	28.6%	ONCOLOGY - ORAL	GLEEVEC	15.0%
HEMOPHILIA	ELOCTATE	28.6%	ONCOLOGY - ORAL	HYCANTIN	15.6%
HEMOPHILIA	FEIBA	31.8%	ONCOLOGY - ORAL	IBRANCE	13.8%

HEMOPHILIA	FEIBA NF	31.8%	ONCOLOGY - ORAL	ICLUSIG	13.3%
HEMOPHILIA	HELIXATE FS	37.5%	ONCOLOGY - ORAL	IMATINIB MESYLATE	33.7%
HEMOPHILIA	HEMOFIL M	43.9%	ONCOLOGY - ORAL	IMBRUVICA	14.3%
HEMOPHILIA	HUMATE-P	32.9%	ONCOLOGY - ORAL	INLYTA	14.3%
HEMOPHILIA	IDELVION	14.3%	ONCOLOGY - ORAL	IRESSA	14.3%
HEMOPHILIA	IXINITY	8.2%	ONCOLOGY - ORAL	JAKAFI	13.3%
HEMOPHILIA	KOATE	41.4%	ONCOLOGY - ORAL	LENVIMA	14.3%
HEMOPHILIA	KOATE-DVI	41.4%	ONCOLOGY - ORAL	LONSURF	15.3%
HEMOPHILIA	KOGENATE FS	40.5%	ONCOLOGY - ORAL	LYNPARZA	12.8%
HEMOPHILIA	KOVALTRY	46.2%	ONCOLOGY - ORAL	MATULANE	13.8%
HEMOPHILIA	MONOCLATE-P	30.3%	ONCOLOGY - ORAL	MEKINIST	12.3%
HEMOPHILIA	MONONINE	30.3%	ONCOLOGY - ORAL	MESNEX	14.8%
HEMOPHILIA	NOVOEIGHT	44.8%	ONCOLOGY - ORAL	NEXAVAR	13.3%
HEMOPHILIA	NOVOSEVEN RT	34.8%	ONCOLOGY - ORAL	NINLARO	14.3%
HEMOPHILIA	NUWIQ	48.7%	ONCOLOGY - ORAL	ODOMZO	14.6%
HEMOPHILIA	PROFILNINE	14.2%	ONCOLOGY - ORAL	POMALYST	13.8%
HEMOPHILIA	PROFILNINE SD	14.2%	ONCOLOGY - ORAL	REVLIMID	12.3%
HEMOPHILIA	RECOMBINATE	38.6%	ONCOLOGY - ORAL	RUBRACA	14.3%
HEMOPHILIA	RIXUBIS	8.2%	ONCOLOGY - ORAL	SPRYCEL	15.3%
HEMOPHILIA	TRETTEN	15.0%	ONCOLOGY - ORAL	STIVARGA	12.8%
HEMOPHILIA	VONVENDI	23.5%	ONCOLOGY - ORAL	SUTENT	14.3%
HEMOPHILIA	WILATE	28.6%	ONCOLOGY - ORAL	TAFINLAR	12.3%
HEMOPHILIA	XYNTHA	39.0%	ONCOLOGY - ORAL	TAGRISSE	14.3%
HEPATITIS B	ADEFOVIR DIPIVOXIL	33.7%	ONCOLOGY - ORAL	TARCEVA	14.3%
HEPATITIS B	BARACLUDE	14.1%	ONCOLOGY - ORAL	TARGRETIN	14.6%
HEPATITIS B	ENTECAVIR	33.7%	ONCOLOGY - ORAL	TASIGNA	14.3%
HEPATITIS B	EPIVIR HBV	13.1%	ONCOLOGY - ORAL	TEMODAR	15.0%
HEPATITIS B	HEPSERA	14.1%	ONCOLOGY - ORAL	TEMOZOLO MIDE	33.7%
HEPATITIS B	LAMIVUDINE HBV	33.7%	ONCOLOGY - ORAL	THALOMID	14.8%
HEPATITIS B	TYZEKA	14.1%	ONCOLOGY -	TRETINOIN	33.7%


			ORAL		
HEPATITIS B	VEMLIDY	14.1%	ONCOLOGY - ORAL	TYKERB	14.8%
HEPATITIS C	DAKLINZA	14.3%	ONCOLOGY - ORAL	VENCLEXTA	14.3%
HEPATITIS C	EPCLUSA	14.3%	ONCOLOGY - ORAL	VOTRIENT	14.3%
HEPATITIS C	HARVONI	15.6%	ONCOLOGY - ORAL	XALKORI	12.8%
HEPATITIS C	OLYSIO	14.3%	ONCOLOGY - ORAL	XELODA	14.0%
HEPATITIS C	PEGASYS	17.2%	ONCOLOGY - ORAL	XTANDI	14.3%
HEPATITIS C	PEGINTRON	15.0%	ONCOLOGY - ORAL	ZELBORAF	13.6%
HEPATITIS C	SOVALDI	14.3%	ONCOLOGY - ORAL	ZOLINZA	15.0%
HEPATITIS C	TECHNIVIE	14.3%	ONCOLOGY - ORAL	ZYDELIG	14.3%
HEPATITIS C	VICTRELIS	14.3%	ONCOLOGY - ORAL	ZYKADIA	13.8%
HEPATITIS C	VIEKIRA PAK	14.3%	ONCOLOGY - ORAL	ZYTIGA	14.3%
HEPATITIS C	ZEPATIER	14.5%	ONCOLOGY - TOPICAL	VALCHLOR	8.7%
HIV	ABACAVIR	33.7%	OSTEOPOROSI S	FORTEO	14.1%
HIV	ABACAVIR SULFATE/LAMIVUDIN E/ZIDOVUDINE	33.7%	PARKINSONS DISEASE	APOKYN	12.4%
HIV	ABACAVIR/LAMIVUDI NE	33.7%	PULMONARY DISEASE	ESBRIET	14.3%
HIV	APTIVUS	15.1%	PULMONARY DISEASE	OFEV	13.3%
HIV	ATRIPLA	14.1%	PULMONARY HYPERTENSIO N	ADCIRCA	13.5%
HIV	COMBIVIR	14.3%	PULMONARY HYPERTENSIO N	ADEMPAS	13.3%
HIV	COMPLERA	14.3%	PULMONARY HYPERTENSIO N	LETAIRIS	13.5%
HIV	CRIXIVAN	15.1%	PULMONARY HYPERTENSIO N	OPSUMIT	13.5%
HIV	DESCOVY	14.9%	PULMONARY HYPERTENSIO N	ORENITRAM	13.3%
HIV	DIDANOSINE	33.7%	PULMONARY HYPERTENSIO N	REVATIO	11.8%
HIV	EDURANT	14.3%	PULMONARY HYPERTENSIO N	SILDENAFIL	33.7%
HIV	EMTRIVA	15.1%	PULMONARY HYPERTENSIO N	SILDENAFIL CITRATE	33.7%
HIV	EPIVIR	14.0%	PULMONARY	TRACLEER	13.5%

			HYPERTENSIO N		
HIV	EPZICOM	14.3%	PULMONARY HYPERTENSIO N	TYVASO	4.6%
HIV	EVOTAZ	14.3%	PULMONARY HYPERTENSIO N	UPTRAVI	14.8%
HIV	FUZEON	13.0%	PULMONARY HYPERTENSIO N	VENTAVIS	+9.3%
HIV	GENVOYA	14.7%	THROMBOCYT OPENIA PREVENTION	NEUMEGA	13.8%
HIV	INTELENCE	14.3%	TRANSPLANT	ASTAGRAF XL	11.8%
HIV	INVIRASE	15.1%	TRANSPLANT	CELLCEPT	13.4%
HIV	ISENTRESS	12.6%	TRANSPLANT	CYCLOSPORI NE	52.3%
HIV	KALETRA	14.3%	TRANSPLANT	CYCLOSPORI NE MODIFIED	52.3%
HIV	LAMIVUDINE	33.7%	TRANSPLANT	ENVARUS XR	14.3%
HIV	LAMIVUDINE/ZIDOVU DINE	33.7%	TRANSPLANT	GENGRAF	33.7%
HIV	LEXIVA	15.0%	TRANSPLANT	MYCOPHEN OLATE MOFETIL	33.7%
HIV	LOPINAVIR/RITONAVI R	33.7%	TRANSPLANT	MYCOPHEN OLIC ACID	33.7%
HIV	NEVIRAPINE	33.7%	TRANSPLANT	MYCOPHEN OLIC ACID DR	33.7%
HIV	NEVIRAPINE ER	33.7%	TRANSPLANT	MYFORTIC	14.3%
HIV	NORVIR	14.0%	TRANSPLANT	NEORAL	14.0%
HIV	ODEFSEY	14.9%	TRANSPLANT	PROGRAF	14.2%
HIV	PREZCOBIX	14.3%	TRANSPLANT	RAPAMUNE	14.3%
HIV	PREZISTA	15.0%	TRANSPLANT	SANDIMMUN E	26.8%
HIV	RESCRIPTOR	15.1%	TRANSPLANT	SIROLIMUS	33.7%
HIV	RETROVIR	14.3%	TRANSPLANT	TACROLIMU S	33.7%
HIV	REYATAZ	14.3%	TRANSPLANT	ZORTRESS	14.3%
HIV	SELZENTRY	14.3%			

# Simply Accountable

Effective for Policy Year Beginning: January 1, 2018

UHC ASO Base Fee	\$ 32.49	\$ 533,746	Annual ASO Base Fees
Percent of Fees @ Risk	30%	\$ 160,000	Annual Fees @ Risk
Fees @ Risk	\$ 9.75	1,369	Number of Employees
Target Claim Factor	<b>\$1,360.23</b>		

Risk Free Corridor >>>	Claim PEPM			Amount at Risk	
	\$ 1,292.21	up to	\$ 1,428.24	\$ -	
	\$ 1,428.25	up to	\$ 1,463.94	\$ 32,000	
	\$ 1,463.95	up to	\$ 1,500.54	\$ 53,328	
	\$ 1,500.55	up to	\$ 1,538.06	\$ 74,656	
	\$ 1,538.07	up to	\$ 1,576.51	\$ 95,984	
	\$ 1,576.52	up to	\$ 1,615.92	\$ 117,312	
	\$ 1,615.93	up to	\$ 1,656.32	\$ 138,640	
	\$ 1,656.33	up to	\$ 1,700.29	\$ 160,000	
					UHC pays the customer

## Assumptions and Caveats:

- Guarantee is effective for the quoted plan year only.
- Illustration assumes the following services/programs will be included in the employee benefit plan:
  - Standard Services: Value Based Contracting Impact, Medical Necessity & Prior Authorization, High Risk Patient Transferral Lists, Specialty RX Transferral Lists
  - Optional Services: MNRP (110% or 140%),
  - Optional Services:
- The number of covered employees assumed in this proposal is listed below by plan offering:

<u>Quoted Choice</u>	<u>Assumed Monthly</u>	<u>Claim Target Factors</u>	-	-
<u>and Choice Plus Plans</u>	<u>Covered Enrollees</u>	<u>PSPM</u>	-	-
	1369	\$1,360.23		

-

**COMPOSITE**

**1369**

**\$1,360.23**

-

This guarantee only applies to employees enrolled in Choice and Choice + products.

- 4 Reconciliation will be based actual covered lives by plan during the plan year and the claim target factors by plan listed above.
- 5 Reconciliation will be based actual claims INCURRED from January 1, 2018 to December 31, 2018 and PAID from January 1, 2018 to March 31, 2019
- 6 Reconciliation will be performed within 180 days but no earlier than 120 days after the close of the plan year.
- 7 Actual claims include all Medical claims and Pharmacy claims if applicable, except for the following:
  - Benefits for services incurred prior to the effective date of the policy.
  - Losses in excess of \$75,000 per covered individual.
  - Losses in excess of usual and customary for out of network claims.
  - Losses associated with benefits not covered by the underlying employee benefit plan, but paid by the employee benefit plan.
- 8 Maximum guarantee payout is \$160,000.
- 9 Assumes We are the only carrier offered.
- 10 We reserve the right to adjust the projected target claim factor or rescind this guarantee under any of the following circumstances:
  - Enrollment in total or by plan varies +/- 10% or more from the assumptions listed in this proposal.
  - An award is not made within 90 days of the issuance of this proposal.
  - Changes in federal, state or other applicable legislation or regulation require changes to this proposal
  - Changes to any of the included services/programs listed in item 2 above.
  - Any changes made to the plan of benefits offered covered by this guarantee.
- 11 Guarantee is provided in lieu of any Network Discount Guarantees previously quoted.

## **EXHIBIT C - BUSINESS ASSOCIATE ADDENDUM TO ADMINISTRATIVE SERVICES AGREEMENT**

This Addendum is made to the Administrative Services Agreement ("Agreement") between United HealthCare Services, Inc. ("Us" or "We") and City of Denton Health Benefit Plan ("Plan") and is effective on January 1, 2018 ("Effective Date").

1. Definitions:

- (i) **Affiliate:** For purposes of this Amendment, shall mean any entity that is a subsidiary of UnitedHealth Group.
- (ii) **Breach:** The acquisition, access, use or disclosure of PHI in a manner not permitted by the Privacy Rule that compromises the security or privacy of the PHI as defined, and subject to the exceptions set forth, in 45 C.F.R. 164.402
- (iii) **Compliance Date:** In each case, the date by which compliance is required under ARRA and/or its implementing regulations, as applicable; provided that, in any case for which that date occurs prior to the Amendment Effective Date, the Compliance Date shall mean the Amendment Effective Date.
- (iv) **EPHI:** Electronic protected health information as defined in the Security Rule that is created, received, maintained, or transmitted by or on behalf of Plan.
- (v) **HHS:** The United States Department of Health and Human Services.
- (vi) **PHI:** Defined in Section 1 of this Agreement.
- (vii) **Privacy Rule:** The Standards of Privacy of Individually Identifiable Health Information at 45 C.F.R. part 160 and part 164, subparts A and E, promulgated under the Health Insurance Portability and Accountability Act.
- (viii) **Security Rule:** The Security Standards published on February 20, 2003 at 68 Fed. Reg. 8334 *et seq.* (45 C.F.R. Parts 160, 162 and 164), as hereafter amended.
- (ix) **Services:** To the extent and only to the extent they involve the creation, use or disclosure of PHI, the services provided by Us to You under the Agreement, including those set forth in this Amendment in Section C. All references in this Amendment to ARRA shall be deemed to include all associated implementing regulations, when and as each is effective.
- (x) Capitalized terms used in this Addendum that are defined in the Agreement shall have the respective meanings assigned to such terms in the Agreement.
- (xi) Those capitalized terms not defined in the Agreement or in this Addendum shall have the meanings set forth in the applicable definitions under the Privacy Rule or Security Rule.

2. General Permissible Uses and Disclosures of PHI. PHI will be used by Us to administer the Plan, to perform under the Agreement or this Addendum, or as permitted under the Agreement or this Addendum. We may also use or disclose PHI:

- (i) for Our proper management and administration and to fulfill any present or future legal responsibilities; provided, however, that any such disclosures are Required By Law or We have received from the third party written assurances that the information will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the third party; and the third party will notify Us of any instances of which it becomes aware in which the confidentiality of the information has been breached;
- (ii) to aggregate the PHI as permitted under the Privacy Rule;



- (iii) to create de-identified data, provided that We de-identify the information in accordance with the Privacy Rule. De-identified information does not constitute PHI, is not subject to the terms and conditions of this Addendum, and is Our Proprietary Business Information;
- (iv) for research including but not limited to projects for therapeutic outcomes research, and for epidemiological studies. We will obtain and maintain, on behalf of Plan, any consents, authorizations or approvals that may be required by applicable federal or state laws and regulations for use or disclosure of PHI for such purposes. We will maintain the confidentiality of such information as it relates to any individual Participant, provider, or Your business. The research, databases, analyses, and studies are Our Proprietary Business Information; and
- (v) to create or use Limited Data Sets as permitted under the Privacy Rule. We also may disclose Limited Data Sets to a related entity or to You, provided however, We agree to limit use of the Limited Data Sets to Research, Health Care Operations, or public health purposes and further agree to:
  - (1) not use or further disclose the Limited Data Sets other than as permitted by this Addendum or this Agreement or as otherwise required by law;
  - (2) use appropriate safeguards to prevent use or disclosure of the Limited Data Sets other than as provided for by this Addendum or this Agreement;
  - (3) report to You any use or disclosure of the Limited Data Sets not provided for by this Addendum or this Agreement of which We become aware;
  - (4) ensure that any agents, including a subcontractor, to whom We provide the Limited Data Sets agrees to the same restrictions and conditions that apply to the limited data set recipient with respect to such information; and
  - (5) not identify the Limited Data Sets or contact the individuals.

These Limited Data Sets are considered by Us to be Our Proprietary Business Information.

- (vi) identify Research projects conducted by Us, Our Affiliates or third parties for which PHI may be relevant; obtain on behalf of You documentation of individual authorizations or an Institutional Review Board or privacy board waiver that meets the requirements of 45 CFR 164.512(i)(1) (each an "Authorization" or "Waiver") related to such projects; provide You with copies of such Authorizations or Waivers, subject to confidentiality obligations ("Required Documentation"); and disclose PHI for such Research provided that We do not receive Your disapproval in writing within ten (10) days of Your receipt of Required Documentation;
  - (vii) make PHI available for reviews preparatory to Research and obtain and maintain written representations in accord with 45 CFR 164.512(i)(1)(ii) that the requested PHI is sought solely as necessary to prepare a Research protocol or for similar purposes preparatory to Research, that the PHI is necessary for the Research, and that no PHI will be removed in the course of the review; and
  - (viii) provide Data Aggregation services relating the Health Care Operations of the Covered Entity, including through subcontractors and agents, all in accordance with the Privacy Rule.
3. Our Obligations under the Privacy Rule. We agree that We shall:
- (i) not use or further disclose the PHI other than as permitted by this Addendum or the Agreement or as Required by Law;
  - (ii) use appropriate safeguards to prevent use or disclosure of PHI other than as permitted or required by this Addendum or the Agreement;
  - (iii) report to Plan any use or disclosure of any PHI of which We become aware that is not permitted by this Addendum or the Agreement;

- (iv) mitigate, to the extent practicable, any harmful effect that is known to Us resulting from a use or disclosure of PHI in violation of this Agreement;
  - (v) ensure that any subcontractor or agent to whom We provide any PHI agrees to the same restrictions and conditions that apply to Us with regard to the use and/or disclosure of PHI pursuant to this Addendum;
  - (vi) respond to Individuals' requests for access to PHI in Our possession that constitutes a Designated Record Set in accordance with the Privacy Rule;
  - (vii) incorporate any amendments or corrections to the PHI in Our possession that constitutes a Designated Record Set in accordance with the Privacy Rule;
  - (viii) document disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with the Privacy Rule.
  - (ix) provide to Individuals an accounting of disclosures in accordance with the Privacy Rule;
  - (x) accommodate reasonable requests by Individuals for confidential communications in accordance with the Privacy Rule;
  - (xi) make Our internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of HHS for purposes of the Secretary of HHS determining Your compliance with the Privacy Rule; and
  - (xii) except as provided for herein or as required by law, upon termination of this Agreement, return to Plan or destroy the PHI and retain no copies in any form, if feasible. If We determine that returning or destroying the PHI is infeasible, We agree to extend the protections, limitations and restrictions of this section to such PHI and to limit any further uses and/or disclosures of such PHI retained to the purposes that make the return or destruction of the PHI infeasible, for as long as We maintain such PHI.
  - (xiii) comply with the HIPAA Security Rule requirements in accordance with 42 U.S.C. § 17931;
  - (xiv) with respect to any use or disclosure of Unsecured PHI not permitted by the Privacy Rule that is caused solely by Our failure to comply with one or more of Our obligations under this Amendment, You hereby delegate to Us the responsibility for determining when any such incident is a Breach and for providing all legally required notifications to Individuals, HHS and/or the media, on behalf of You. We shall provide these notifications in accordance with the security breach notification requirements set forth in 42 U.S.C. § 17932 and 45 C.F.R. Parts 160 & 164 subparts A, D & E as of their respective Compliance Dates, and shall pay for the reasonable and actual costs associated with such notifications. In the event of a Breach, without unreasonable delay, and in any event no later than sixty (60) calendar days after Discovery, We shall provide You with written notification that includes a description of the Breach, a list of Individuals (unless You are a plan sponsor ineligible to receive PHI) and a copy of the template notification letter to be sent to Individuals;
  - (xv) request, use and/or disclose only the minimum amount of PHI necessary to accomplish the permitted purpose of the request, use or disclosure; provided, that We shall comply with 42 U.S.C. § 17935(b); and
  - (xvi) comply in all respects with all Our other obligations in accordance with ARRA, including without limitation, 42 U.S.C. §§ 17934(b), 17935(c), (d) & (e), and 17936(a) & (b)
4. Our Obligations Under the Security Rule. With regard to Our use and/or disclosure of EPHI, effective no later than the compliance date applicable to Plan under the Security Rule (April 20, 2005), We shall:

- (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that We create, receive, maintain or transmit on behalf of Plan;
  - (ii) ensure that any and all of Our subcontractors or agents to whom We provide EPHI agree in writing to implement reasonable and appropriate safeguards to protect such EPHI; and
  - (iii) report to Plan any security incident (as defined in 45 CFR Section 164.304) of which We become aware in accordance with Our standard reporting procedures.
- 5. Plan and Employer-Plan Sponsor Obligations.
  - (i) Plan represents that it has received certification from You that You have amended Your Plan documents (1) to include specific provisions to restrict the use or disclosure of PHI and to ensure adequate procedural safeguards in accordance with the Privacy Rule and (2) to provide that the Plan Sponsor will reasonably and appropriately safeguard EPHI created, received, maintained or transmitted to or by the Plan Sponsor in accordance with the Security Rule.
  - (ii) Plan will not agree, without Our prior written consent, to an Individual's request for a restriction pursuant to 45 CFR 164.522(a) of the Privacy Rule to the extent such restriction may adversely affect Our ability to use and/or disclose PHI under this Addendum or the Agreement. Notwithstanding the preceding sentence, We will accommodate reasonable requests for confidential communication as required under 45 CFR § 164.522(b) of the Privacy Rule.
- 6. Termination Upon Breach of Provisions Applicable to PHI or EPHI. Any other provision of the Agreement notwithstanding, this Addendum and this Agreement may be terminated by the Plan upon sixty (60) days prior written notice to Us in the event that We materially breach any obligation of this Addendum related to Our use and disclosure of PHI or EPHI and fail to cure the breach within such sixty (60) days period, or if such breach is not reasonably curable within a sixty (60) day period, then the Agreement may be terminated if the cure of such breach has not been commenced by Us within such sixty (60) day period and completed with reasonable diligence.
- 7. Nothing express or implied in this Addendum is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever.
- 8. The terms of this Business Associate Addendum shall survive the termination of this Agreement.

50089614 (11/17/08)